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CANRON
LIMITED





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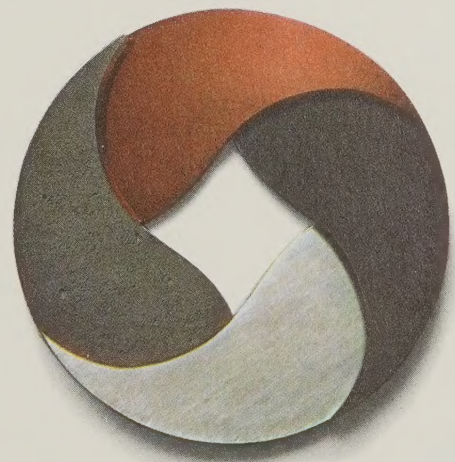
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formerly Canada Iron Foundries, Limited

The cover design of this brochure incorporates four of the major basic materials used in the manufacture of many CANRON products: iron, steel, concrete and copper.

Although these materials are diverse, as indeed are the various activities of CANRON, they are linked to form a single unit, representative of the corporate structure of the company.



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**A glance at
the past—**

**A look at
the present—**

**A view
of the future**

CANRON Limited, which was formerly known as Canada Iron Foundries, Limited for over half a century, traces its origin back to the St. Maurice Valley in Quebec and to the year 1883. At that time the McDougalls of the famous St. Maurice Iron Works linked their interests with those of the Drummond family who owned, among others, the Radnor Iron Works, originally founded in 1854. The resulting corporation bore the name "Canada Iron Furnace Company".

Twenty-five years later, the company was merged with The Canadian Iron & Foundry Company, Limited, John McDougall & Company and The Annapolis Iron Company, Limited to form The Canada Iron Corporation, Limited. The company operated iron mines, blast furnaces for the production of pig iron, car wheel foundries and cast iron pipe foundries, with facilities located from Annapolis, Nova Scotia to Fort William, Ontario.

In 1915, the company was reorganized and incorporated as Canada Iron Foundries, Limited to carry on the manufacture of foundry products, principally iron pipe and chilled cast iron wheels. During the years which followed, particularly the decade of the fifties, Canada Iron greatly expanded its operations through the establishment and acquisition of a number of companies and became a broadly diversified producer of capital goods. Chronologically, the companies were:

- 1925 Dominion Wheel and Foundries, Limited
- 1926 National Iron Corp., Limited
- 1931 Pressure Pipe Co. of Canada, Ltd.
- 1933 Gartshore Thomson Pipe and Foundry Co. Limited
- 1944 Railway & Power Engineering Corporation, Limited
- 1952 Electric Tamper & Equipment Co. of Canada, Limited
- 1952 Paper Machinery, Limited
- 1952 Paper Mill Equipment, Limited
- 1952 Hydro-Turbine Co. Limited
- 1954 Dominion Structural Steel, Ltd.
- 1955 Disher Steel Construction Co. Limited
- 1958 Western Bridge and Steel Fabricators, Ltd.
- 1958 Calgary Structural Steel, Ltd.
- 1958 C. W. Carry, Ltd.
- 1959 Tamper, Inc. (U.S.)
- 1965 Northern Resins, Limited
- 1966 The Cobalt Foundry, Limited
- 1966 The Wabi Iron Works, Limited
- 1966 Tamper (Australia) Pty. Limited
- 1967 Pacific Press & Shear Corp. (U.S.)
- 1968 Extruded Plastic Products, Ltd.

In 1961 the Canadian subsidiaries, with the exception of Railway & Power, were merged with Canada Iron. Product lines and manufacturing facilities were realigned and operating divisions of the company were established, each a major business operation in its own right.

In April 1968, the corporate name, CANRON Limited, was adopted, since

the former name no longer reflected the new and broader scope of the company's activities.

CANRON comprises eight divisions and nine subsidiaries; two of the subsidiaries are located in the United States and one in Australia. Principal products include iron, concrete and plastic pipe, grey and alloy iron castings, heavy industrial machinery, valves, rotating electrical equipment and railway track maintenance equipment. CANRON is also one of the country's largest fabricators and erectors of steel structures. Railway & Power is a national distributor of quality products manufactured by leading American, European and Canadian companies.

Over 5,300 people are employed in the Canadian operations of the company which includes 21 plants located across Canada, having a total of over 2.3 million square feet of floor space. In addition, through its wholly owned subsidiaries in the United States, the company operates two plants having a total floor area in excess of 250,000 square feet and employing over 450 people.

The future plans of CANRON call for a continuation of the corporate policies of expansion and diversification that have brought the company to a leading position in Canadian industry. A vigorous drive toward continuing growth — a constant search for new markets — steady expansion of facilities and product lines to meet marketing needs... these are the watchwords of CANRON.





1121 Place Ville Marie, Montreal 2, Quebec

● PLANTS

Berthierville, Quebec
Calgary, Alberta
Cobalt, Ontario
Columbia, South Carolina
Dartmouth, Nova Scotia
Edmonton, Alberta
Hamilton, Ontario (2)
Lachine, Quebec
Mt. Carmel, Illinois
New Liskeard, Ontario
Ottawa, Ontario
Rexdale, Ontario (3)
St. Thomas, Ontario
Scarborough, Ontario
Sudbury, Ontario
Toronto, Ontario
Trois-Rivières, Quebec
Vancouver, B.C.
Ville d'Anjou, Quebec
Winnipeg, Manitoba

New horizons for structural steel

CANRON keeps pace with the country's expanding requirements for buildings, bridges, roads and industrial plants. The company's engineers plan for tomorrow—pursuing a never-ending quest for new materials, new designs and new manufacturing techniques. Research on improved steels and lightweight alloys has resulted in the development of efficient and economical building methods.

The company has fabricated and erected the steel framework for many of the industrial plants, warehouses, churches, office buildings, arenas and highway and railway bridges across Canada. Conveyor systems, bulk cargo shiploaders, cargo containers and hydraulic dam gates are also among the fabricated steel products.

CANRON specializes in the design and fabrication of power line, radio, television and microwave transmission towers and antennae for radar surveillance. In the course of these operations, it has been necessary to develop new and sophisticated techniques for the erection of steel structures in some of the least accessible locations in the country.

The company's widely spread and readily accessible manufacturing capacity is supported by a strong and capable team of engineers and technical staff who have long and varied experience in steel construction. They have the proven ability to provide realistic cost estimates and to carry out large steel construction projects to plan. Their technical advice is immediately available to consulting engineers and architects.

Erection of structural steel for the Attorney General's
Building in Montreal



CARRADAIN-IRON

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The Ford Motor plant at Talbotville—structural steel framework covering 1,500,000 sq. ft. of floor space

CANRON structural steel plant, Vancouver

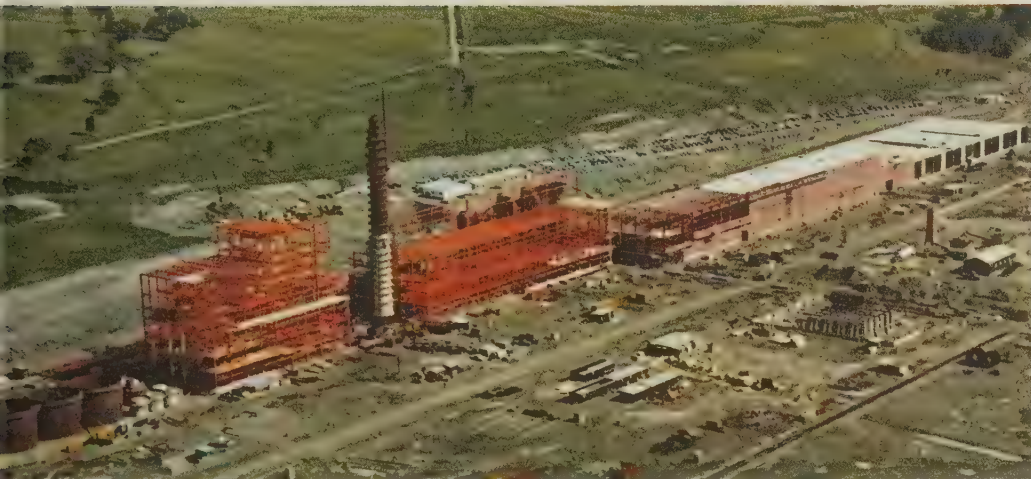
Steel erection at Boundary Dam, Estevan, Saskatchewan

Steel short-span bridge—on Route 2, north of Calgary, Alberta

Kraft paper mill for Consolidated-Bathurst, Ltd., Portage du Fort, Quebec

One of 11 radial gates (40' deep by 30' wide) for South Saskatchewan River Dam

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- A Erection of 200 ft. high headframe for potash mine near Saskatoon
- B CANRON structural steel plant, Rexdale, Ontario
- C Steel framework for Centenary Hospital, Scarborough, Ontario
- D Steel structure for "Brilliant" bridge over Columbia River at Castlegar, B.C.
- E Conveyor shiploader built for Pacific Coast Bulk Terminals at Port Moody, B.C.

Products for transmission of fluids and gas

CANRON is the country's largest manufacturer of pipe for the transmission of water and gas — thousands of miles of the company's pipe are installed in communities and industries across Canada. The various types include gray iron, ductile iron, reinforced concrete, prestressed concrete and concrete sewer and culvert pipe, ranging in diameter from three inches to ten feet.

Plastic pipe is manufactured by Northern Resins Ltd., and Extruded Plastic Products Ltd., CANRON subsidiaries. Pipe up to 8-inch diameter is produced in polyethelene, ABS, PVC and Styrene, used for water and corrosive fluids, electrical conduit and other commercial applications.

In addition, CANRON produces many associated products, such as fittings, fire hydrants, sluice gates and municipal castings. Special types of pipe joints are supplied to mines and other installations where standard transmission methods are not feasible. For example, alloyed ductile iron pipe has been developed for the transmission of abrasive materials, such as mine tailings and fly ash.

"Walworth" Plug Valves and "Grove" Ball and Gate Valves, all types of "Walworth" Bronze, Higher Strength Cast Iron, Ductile Iron, Globe, Gate and Check Valves, PVC and "Walseal" Bronze Valves are manufactured for gas and oil pipelines, bulk storage installations and the chemical, food processing, mining and marine industries.

CANRON pipe stacked ready for shipment



Canada Iron

Canada Iron

Canada Iron

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Water hydrants being manufactured at Trois-Rivières plant

"Walworth" plug valves with Shafer Gas Operator—Alberta Gas Trunk Line

Installation of 48" diameter concrete pipe for 30-mile long Lake Huron-London Pipeline

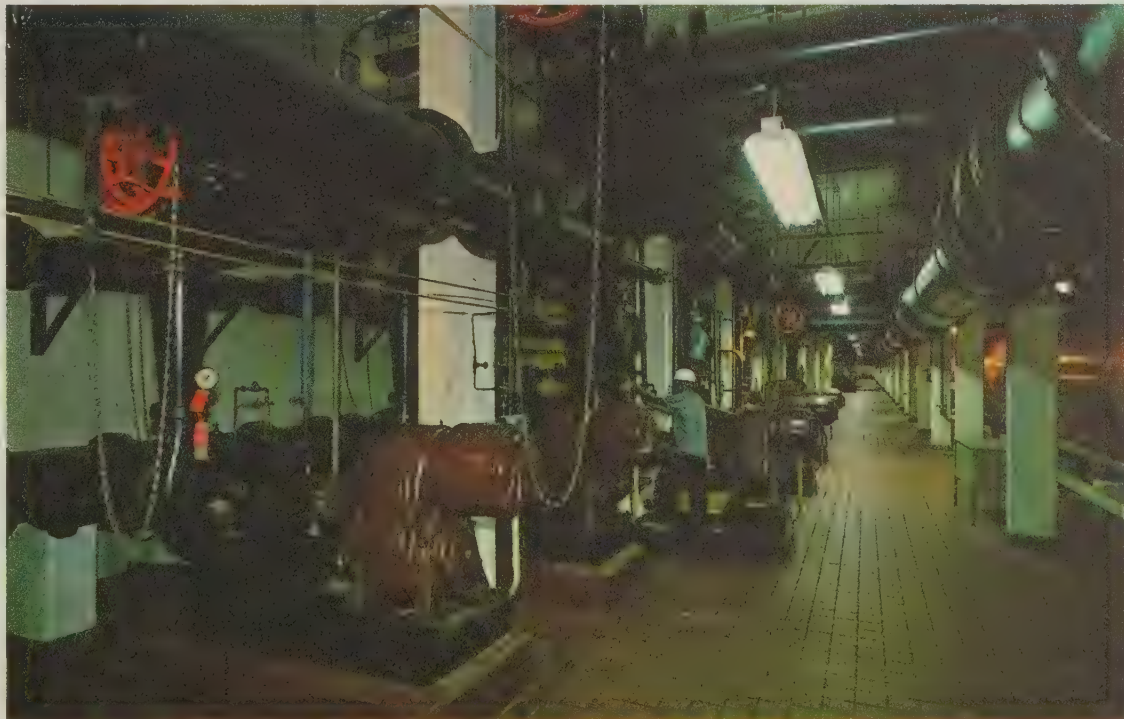
Concrete Pipe plant at Ville d'Anjou, Quebec

Northern Resins' ABS plastic pipe being installed at a golf course near Montreal

48" "Hyprescon" concrete pipe for City of Hamilton, Ontario

Welder at work on CANRON steel-reinforced concrete pipe for City of Montreal

CANRON pipe installed at Metropolitan Toronto main treatment plant



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A Iron Pipe plant at Cherry Street, Toronto

B Laying concrete pipe for the Lake Erie water supply system

C 84" diameter reinforced concrete storm sewer pipe at Ville de Brossard

D Pre-assembled Northern Resins plastic pipe illustrates the light weight of plastic drain, waste and vent systems

E 10" ductile iron pipe with "Tyton" joint and featuring "Conductoflex" strap, for Peterborough Public Utilities Commission

F CANRON ductile iron pipe ready for installation at St. Lucia in the Caribbean

G Molten iron is poured into ladle from one of three 44-ton useful capacity electric furnaces at Cherry Street plant

H "Grove" gate valves at Alberta Gas Trunk Line station

Heavy machinery for industry

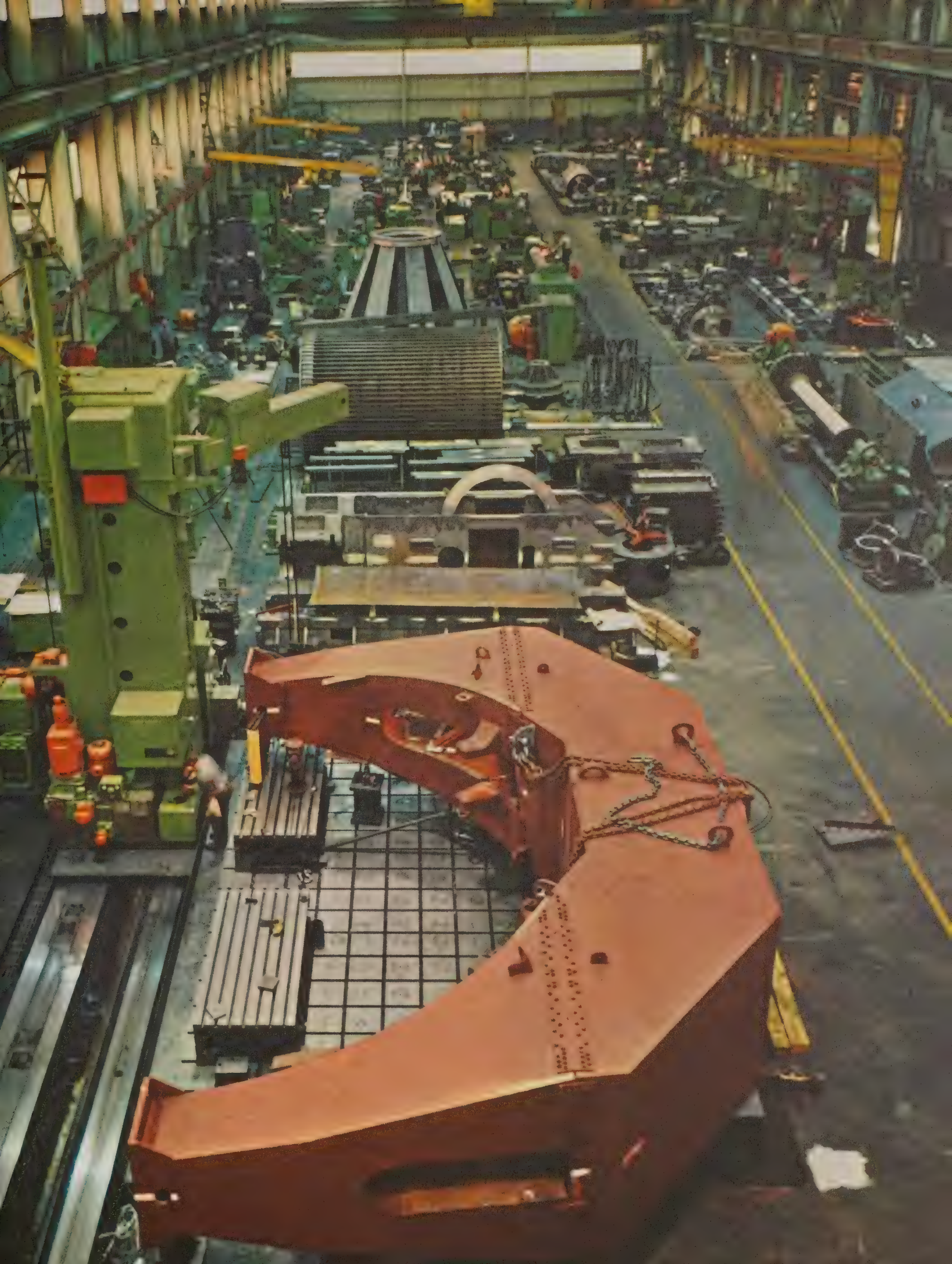
CANRON is one of the country's leading producers of machinery for primary and secondary industry. Rolling mill and sheet and strip finishing machinery are manufactured in association with the Blaw-Knox Company, one of the world's leading designers of this highly-specialized equipment.

Other products include pulp and paper machinery, sheet metalworking machines for the automotive and appliance industries, rubber and plastic processing equipment and special custom-designed industrial machinery.

Together with Pacific Press and Shear Corporation, a subsidiary located in Mt. Carmel, Illinois, CANRON produces "Pacific" hydraulic press brakes from 40 to 2000 tons capacity, straight side presses, horizontal and vertical single cylinder presses, straightening presses, and shears.

CANRON also manufactures "Minster" mechanical presses with capacities from 16 to 1500 tons. The wide range available includes single and double crank straight side, open back inclinable, gap and horn types.

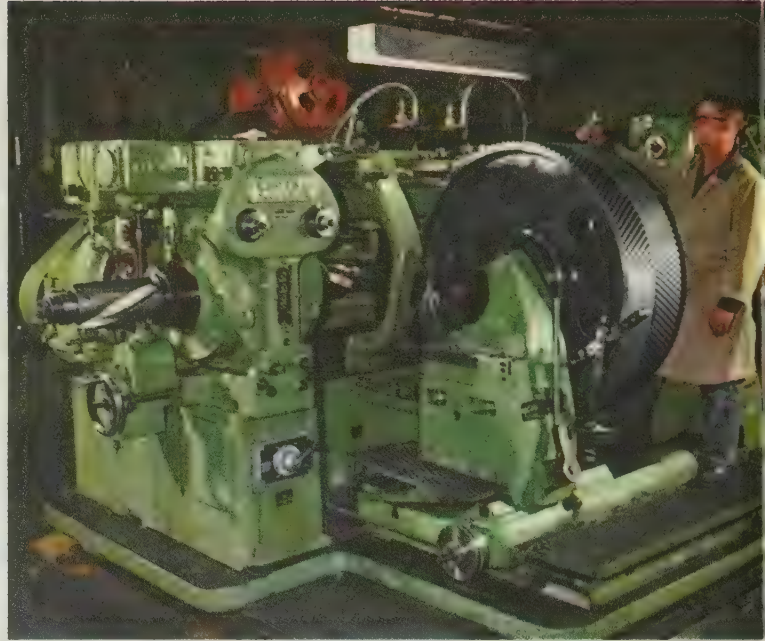
Gears and gear reducers in an extensive variety of speeds and capacities are produced, both to industry standards as well as customers' specifications.



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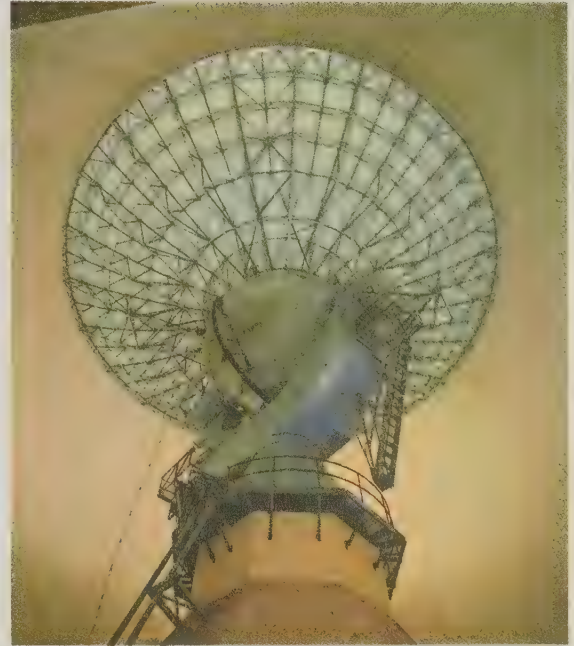
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A "Pacific" 300-ton bulldozer at Algoma Steel Co. plant at Sault Ste-Marie, Ontario

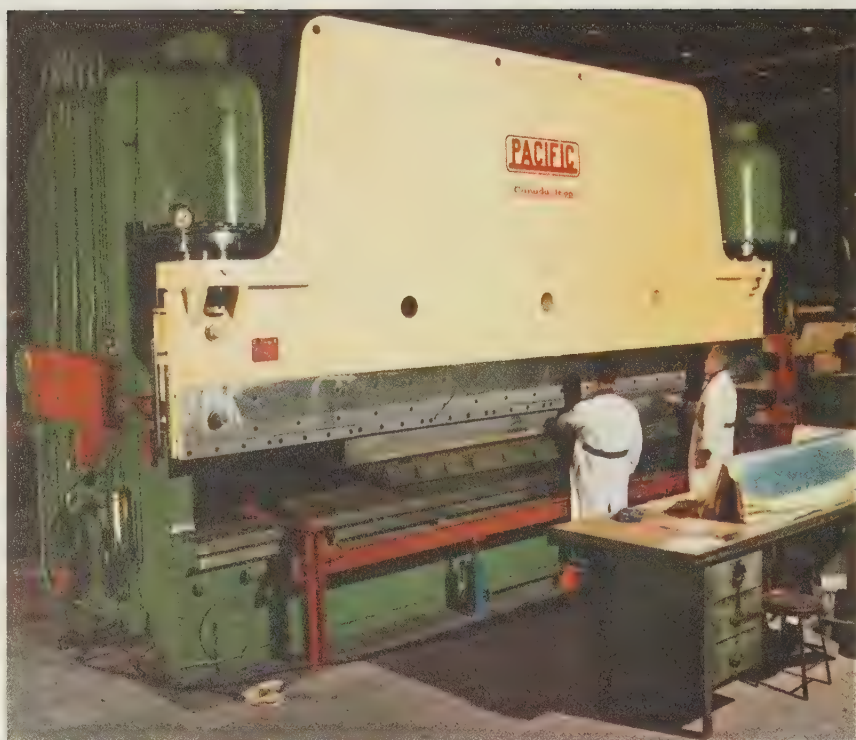
B "Sykes" precision gear-cutting machine at Trois-Rivières plant

C "Pacific" 2,000-ton hydraulic press brake

D 85-foot diameter communications antenna at Mill Village, Nova Scotia, fabricated and erected by CANRON

E CANRON plant at Trois-Rivières, Quebec

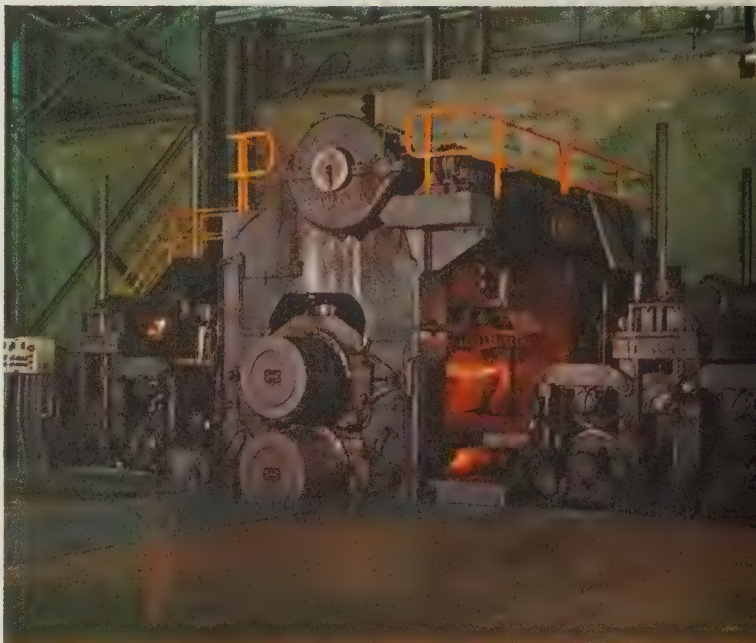
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A "Pacific" 1,000-ton press brake at Canadair Ltd., Montreal

B "Pacific" 750-ton hydraulic shear at National Steel Car Corporation Ltd.

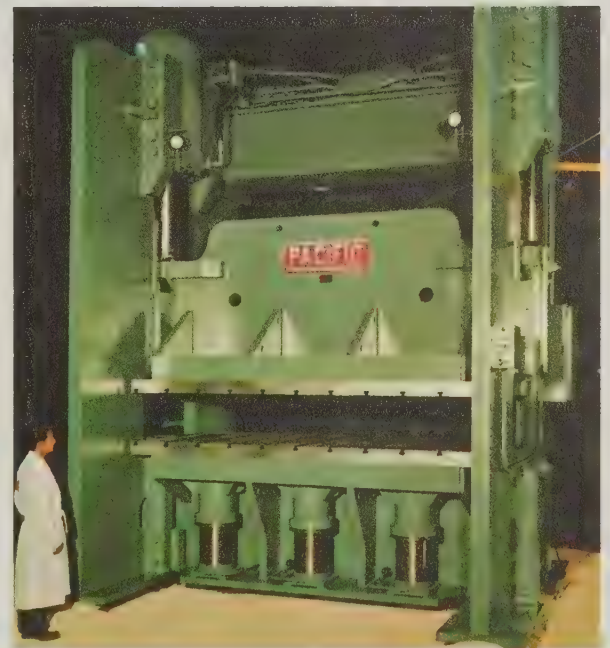
C 80" wide, 4-stand, 4-high tandem cold mill—located at a leading Canadian steel mill

D 156" wide "Kamyr" wet machine for production of kraft pulp at Brown Forest Industries, Limited, Espanola

E 106" wide, two-high, temper mill, supplied by CANRON in association with Blaw-Knox

F "Minster" 500, 800 and 1,500-ton presses at Motor Wheel Corporation plant, Chatham

G "Pacific" hydraulic straight side press



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Electrical products for home and industry

CANRON designs and manufactures "Tamper" electrical motors, generators and associated equipment for homes and industrial plants throughout Canada and in many foreign countries.

"Tamper" fractional horse-power motors are used in a variety of domestic applications, such as oil-fired water heaters and furnaces, air conditioners, laundry machines and sump pumps. Over 200,000 motors in the 1/20 h.p. to 3/4 h.p. range are produced each year. These Canadian-designed motors are also manufactured in Mexico, under licence from CANRON.

"Tamper" integral horse-power motors, in ratings up to 3,000 h.p., are to be found in every major Canadian industry. Alternating current motors of the squirrel cage, synchronous and wound rotor types, together with direct current motors, are produced in a full variety of mechanical and electrical designs.

A.C. generators (alternators) in the 5 kw to 4000 kw range are also manufactured. Their uses extend from the supply of prime power for remote communities to standby power for hospitals.

A measure of the production and engineering capabilities of the company is illustrated by the receipt of a number of very large contracts for generators built to the exacting standards of the Canadian and United States Armed Forces.

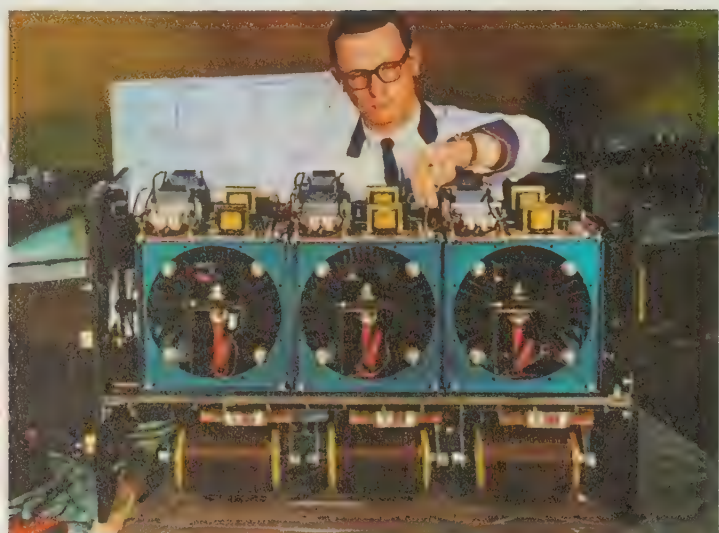
The range of electrical products is steadily expanding through the introduction of more highly-engineered products. Variable Speed Drive Systems are available in direct current, eddy current and mechanical types. They operate many complex and precisely-regulated production devices — for papermaking machinery, cement kilns and extruder-capstan equipment in the wire, cable and plastic industries.

An example of recent product diversification is a unique electronic weighing system, which computes the weight of a freight car as it moves at speeds up to 15 m.p.h. This basic design adapts to many other applications of highly accurate in-motion weighing.

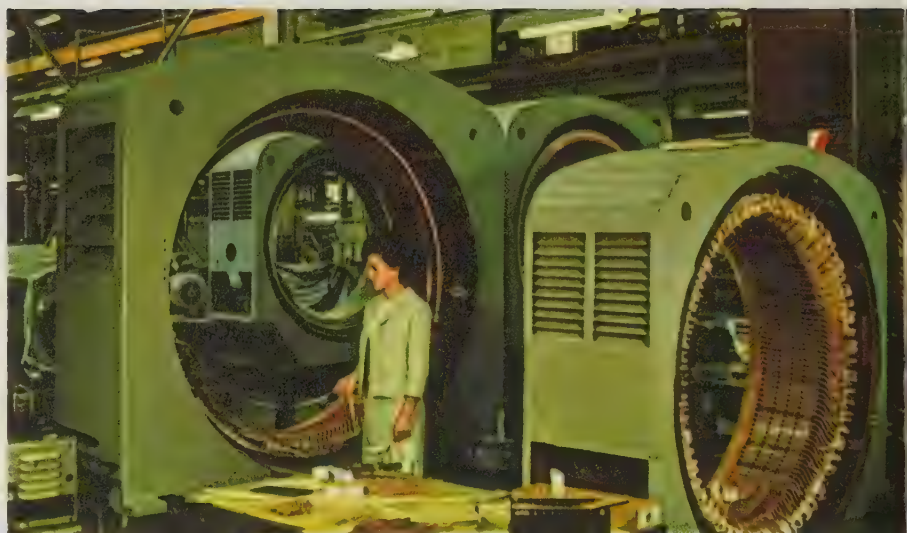
Lachine plant: part of a group of 1,200 H.P., 3,000 R.P.M. "Tamper" vertical solid shaft squirrel cage motors, for a nuclear power plant in India



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Varistat III power conversion module undergoing final inspection prior to fitting in control panel

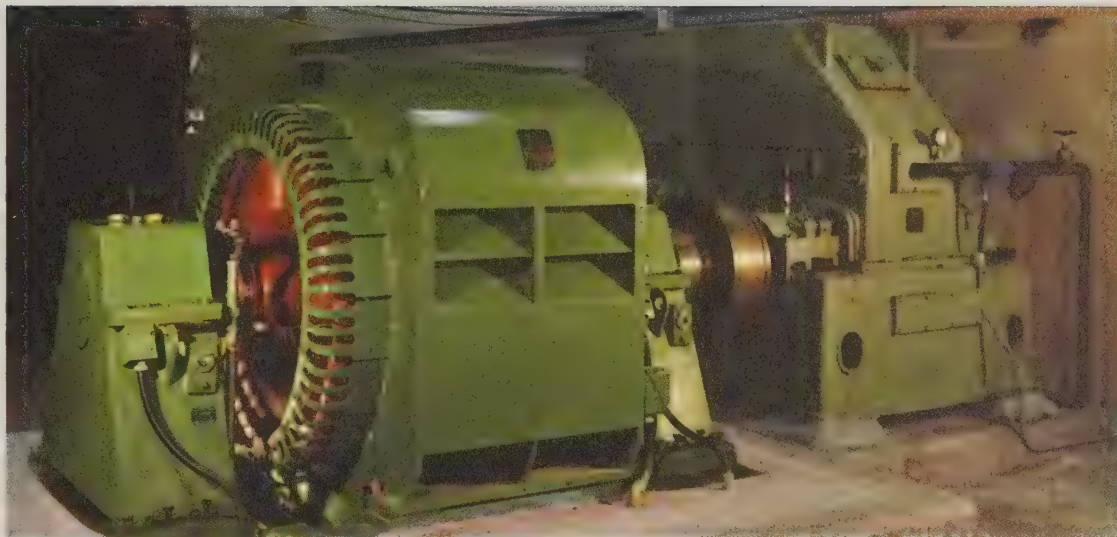
Motor frames up to 2,500 H.P., 14,000 Volts in the stator winding area of the Lachine plant

1,500 H.P., 600 R.P.M., 4,160-Volt "Tamper" synchronous motor for driving a rolling mill

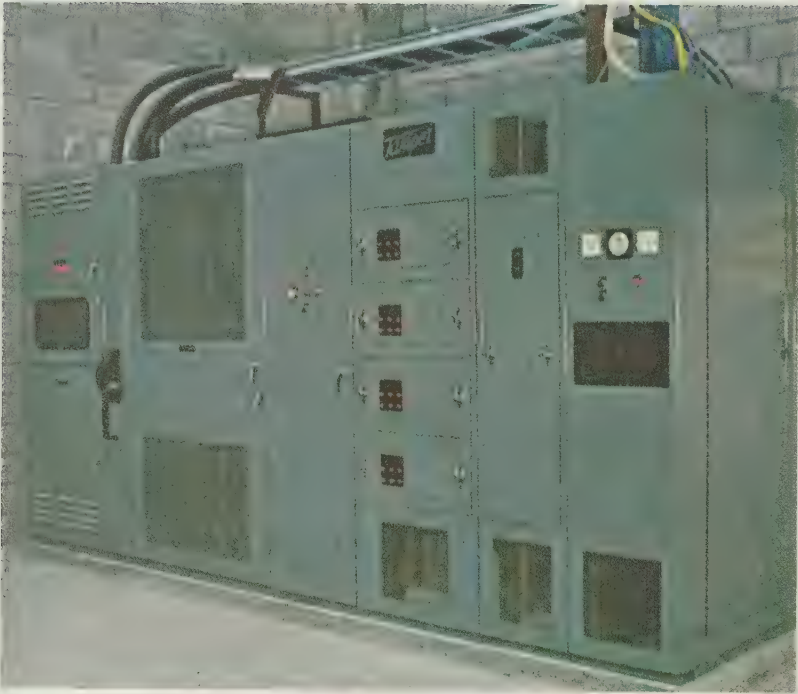
CANRON plant at Lachine, Quebec

A group of wound rotor induction and low-speed synchronous motors for use in large mining operations in Northern Ontario and British Columbia

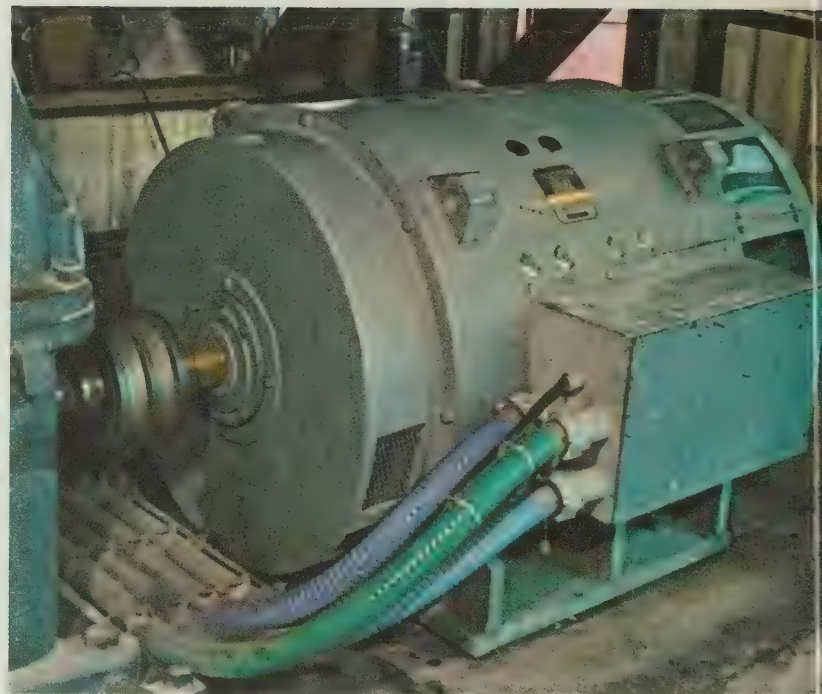
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- A Control panel of "Tamper" Varistat III static D.C. variable speed cement kiln drive rated 600 H.P. Incorporates latest solid-state electronic components
- B One of two 300 H.P., 850 R.P.M. D.C. motors shown driving a cement kiln
- C 13 "Tamper" motors, 350 H.P. to 1,500 H.P., driving primary and secondary ore crushers in an iron pelletizing plant
- D Rotors for major export order of ten thousand 10 K.W. generators being balanced prior to final assembly
- E Synchronous generator with D.C. exciter supplying power for a sewage treatment plant near Windsor, Ontario

Equipment for railway track maintenance

CANRON is the largest designer and producer of railway equipment in the country and during the past 34 years has played an important part in the mechanization of the maintenance of Canadian railroads.

Products include fully-automatic ballast tampers, track liners, switch tampers, spike pullers and drivers, cross-tie renewers, rail bolters, rail drills, rail lubricators and snow blowers.

Of special interest is the "Tamper" Autojack Electromatic with Autoliner attachment, completely designed and fabricated by CANRON. At the press of a button, track is lifted, levelled and lined to any desired profile while ballast is tamped under the cross-ties. The "Delta" sighting system, patented by the company, uses an electronic beam which ensures the highest possible surface accuracy.

The increasing demand for railway track maintenance equipment in the United States market, where there are several hundreds of public and private railroads, led to the establishment of a subsidiary, Tamper, Inc. in the U.S.A. in 1959.

Another subsidiary, Tamper (Australia) Pty. Ltd., was formed in 1966 for the sale and service of equipment on the continent of Australia.

CANRON railway track maintenance equipment is now being sold in the Central and South American, Australian, Asian and European markets.

"Tamper" Autojack Electromatic with Autoliner. This machine simultaneously lifts, levels, lines and tamps railroad track





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Tri Electromatic. A unique, high-speed tamping machine developed by CANRON

An Electromatic Tamper ready for shipment from machine plant

Switch Electromatic Tamper. A multi-purpose tamper capable of tamping complete track switch

Close-up of workheads at front of Autojack Electromatic Tamper

Tamper, Inc. plant at Columbia, South Carolina, U.S.A.

Tamper" Hydraulic Spikedriver drives standard pikes into undrilled hardwood rail ties

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The foundries — where CANRON began

Years of tradition link CANRON to its foundries — two in Hamilton and one in St. Thomas, Ontario. But the company looks to the future rather than the past, and its objective is the production of castings utilizing the latest technological advances.

Typical of its approach to today's demands is the operation of the alloy foundry in Hamilton. The keynote here is versatility — a very extensive range of alloy irons is processed in electric furnaces. All grades of Ductile Iron, Domite CM, Ni-Resist and Ni-Hard Irons, as well as heat-resistant irons of 14% and 28% chromium content, are in regular production. These alloys have diverse applications where there is a need for high strength, or resistance to abrasion and corrosion, or a combination of these properties.

Indeed, the castings themselves can differ widely — a refiner plate for grinding pulp may be produced alongside the main trunnion for a radiation therapy unit.

The alloy foundry produces close-tolerance castings using a ceramic moulding technique known as the "Shaw Process", which gives a high degree of surface finish and eliminates many machining operations.

The largest overall tonnage produced is at the ingot mould foundry in Hamilton. All ingot moulds, sprue plates and stools are cast in appropriate grades of heat shock iron to withstand extreme thermal gradients. Both plants have recently been expanded to meet the increasing demands of the steel industry.

At St. Thomas, the latest type of high pressure automatic moulding line exerts a mould pressure up to 2,000 p.s.i., thereby ensuring excellent uniformity and dimensional control. All A.S.T.M. grades of gray iron can be produced for a variety of products.

Moulds are produced at a rate of approximately 100 per hour, whether they contain many castings of a few pounds each or a single casting weighing up to 300 lbs. Main products from the line are railroad brake shoes and friction blocks, pipe gland rings and valve bodies.

An important function of the foundry operations is the development of new manufacturing techniques and new materials, such as Domite Laminated Wear Plate. This plate combines the exceptionally high abrasion resistance of high alloy white iron with fail-safe characteristics imparted by a metallurgically bonded mild steel backing.

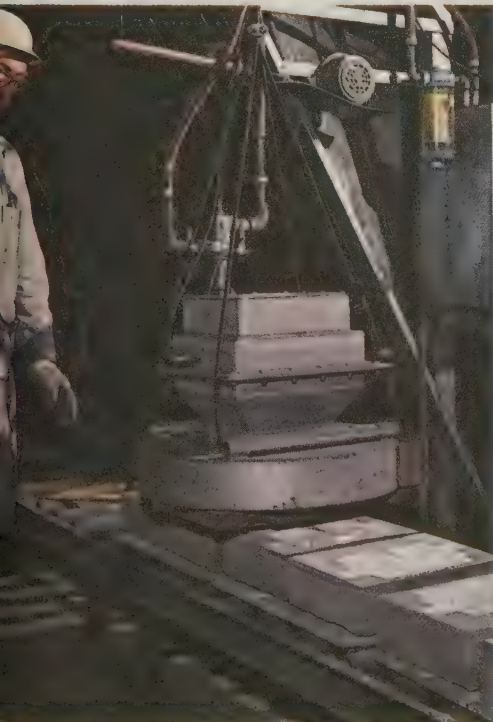
The company also provides assistance to customers through its foundry product design section on matters pertaining to material selection and other phases of application engineering.

CANRON subsidiaries, The Wabi Iron Works Limited, at New Liskeard, Ontario and The Cobalt Foundry Limited at Cobalt, Ontario are major suppliers of castings to the mining industry. The main products are "Ni-Hard" grinding balls and mill liners, chilled iron and nickel alloy wheels and fabricated steel mining equipment such as mine cars, cages, skips and loading pockets.

Bottom-pouring ladle filling a flask for the production of ingot moulds at Hamilton plant



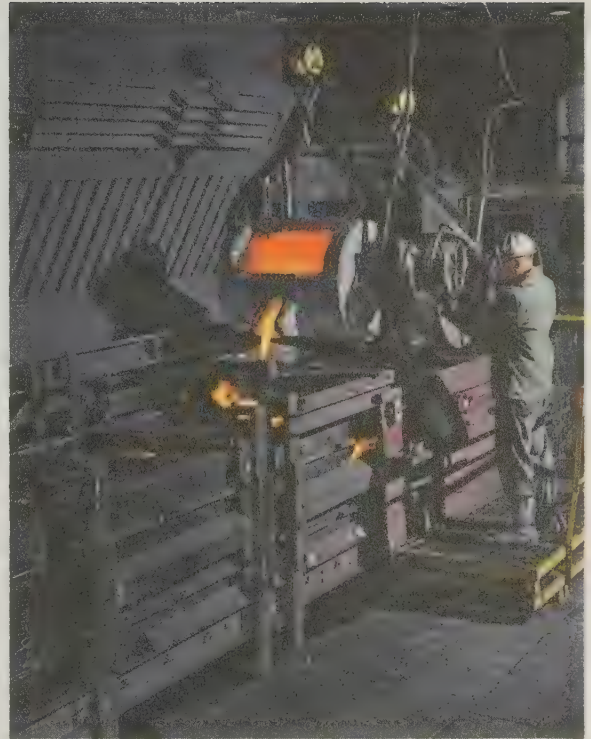




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A Ladles receiving hot metal from the cupola at ingot mould plant, Hamilton

B Cleaning of ingot moulds after casting stage

C Pouring of alloy castings at alloy foundry, Hamilton

D Quality control; inspection of "Shaw Process" iron castings at alloy foundry, Hamilton

E St. Thomas plant, which contains the high-production automatic moulding line

F Special ladles for filling moulds on the automatic moulding line at St. Thomas plant

G Ingot mould plant, Hamilton

H A step in the production of precision close-tolerance iron castings by the "Shaw Process"

I Preparing moulds for brake shoe castings at St. Thomas plant



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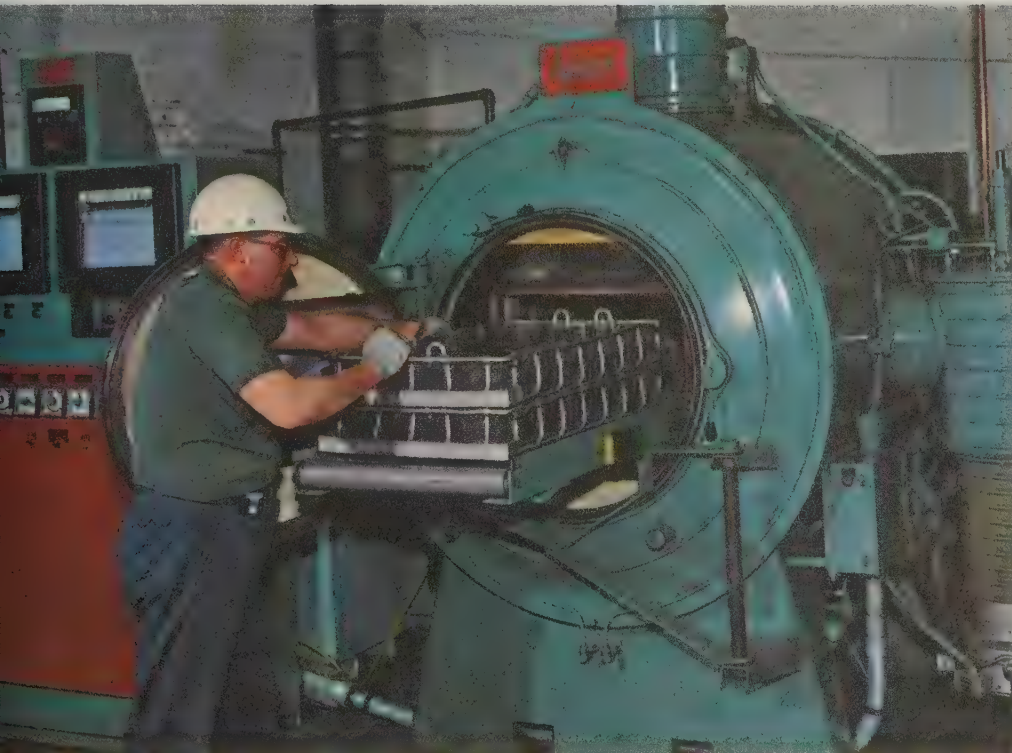
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- A Bauer grinding plates for the pulp industry
- B Cores for water hydrant castings
- C Vacuum heat-treating furnace at Hamilton plant for metallurgical bonding of "Domite" Laminated Wear Plate
- D Core assemblies for valves for export order
- E Valves and hydrants palletized and ready for shipment to U.S.A.
- F 45 cu. ft. sinking buckets and cross-heads with hood plates for mine shafts, manufactured by The Wabi Iron Works
- G Powder car built by The Wabi Iron Works for the mining industry

Supplying industry — sales agency products

Railway & Power Engineering Corporation, Limited is a CANRON subsidiary, which functions as an industrial distribution and manufacturers' sales agency organization. Representing Canadian, American and European principals, it distributes many and varied products to the transportation, pulp and paper, public utilities, chemical and petro-chemical, mining, and primary and secondary manufacturing industries from Newfoundland to British Columbia.

This subsidiary has fifteen sales offices and seven warehouses across Canada. The staff comprises a highly qualified sales force which includes specialists in electrical and mechanical engineering. Other Railway & Power representatives specialize in the sale of equipment and materials to commercial airlines and to the land, sea and air services of the Department of National Defence.

Canada's transportation industry is served by Railway & Power with a wide variety of parts and components, from railway journal bearings to bus washers. General industry is supplied with an extensive range of capital equipment, such as pumps, water strainers, magnets, hoists and ventilators.

Railway & Power has special interests in hydraulics, pneumatics and fluid systems. Through long association with leading manufacturers, it is a major supplier to every industry of importance in Canada.

Long prominent also in the supply of stainless steel raw and finished materials, Railway & Power maintains complete stocks of stainless steel sheet, strip, bar,

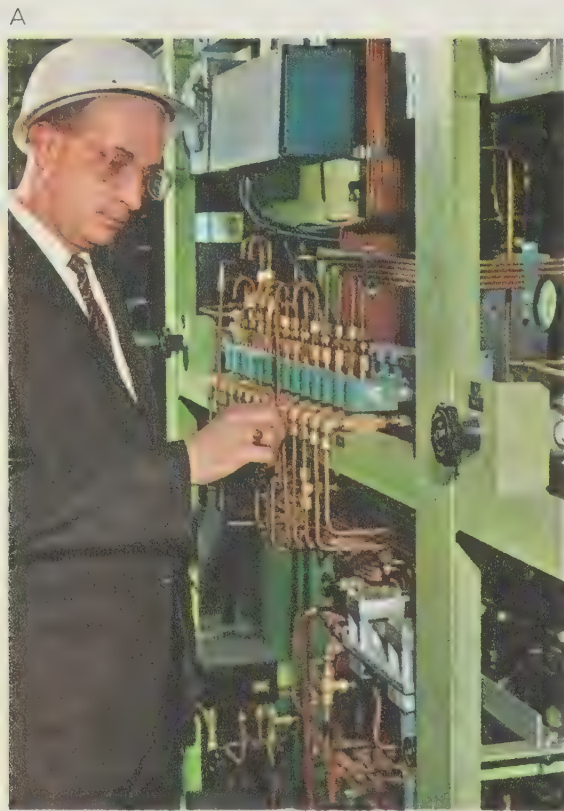
angle, tubing, pipe, valves, fasteners and fittings. Warehouse supplies also range from punches and dies to jacks and wire rope — and include plastics and industrial paints.

More sophisticated technical products in the Railway & Power portfolio are instrumentation, variable speed drives and hydraulic load cells.

In Toronto, Railway & Power manufactures Calvert bus — a metal enclosed electrical power distribution system for generating stations and heavy industry.

An integral part of Railway & Power is C. M. Lovsted & Co. (Canada) Limited, which also operates as an industrial distributor and manufacturers' sales agent. Its office and warehouse, located in Vancouver, covers British Columbia, Alberta, Saskatchewan, Manitoba and the Yukon and North West Territories. Included in its principal products are trackwork and related supplies for railways and mines, road traffic marking and signalling equipment and hydraulic and pneumatic products.





A Inspecting "Parker Hannifin" tube fittings on combustion control panel for soaking pits in large Canadian steel mill

B Railway & Power Sales Supervisor and a Kruger Pulp and Paper Operator discussing the "Dynapar" Yardage Counter, used for setting the desired number of yards of paper to be wound on a roll

C Examining "Aloyco" stainless steel valves, used to combat the highly corrosive conditions of nitric and sulphuric acid lines at C-I-L plant, Beloeil, Quebec

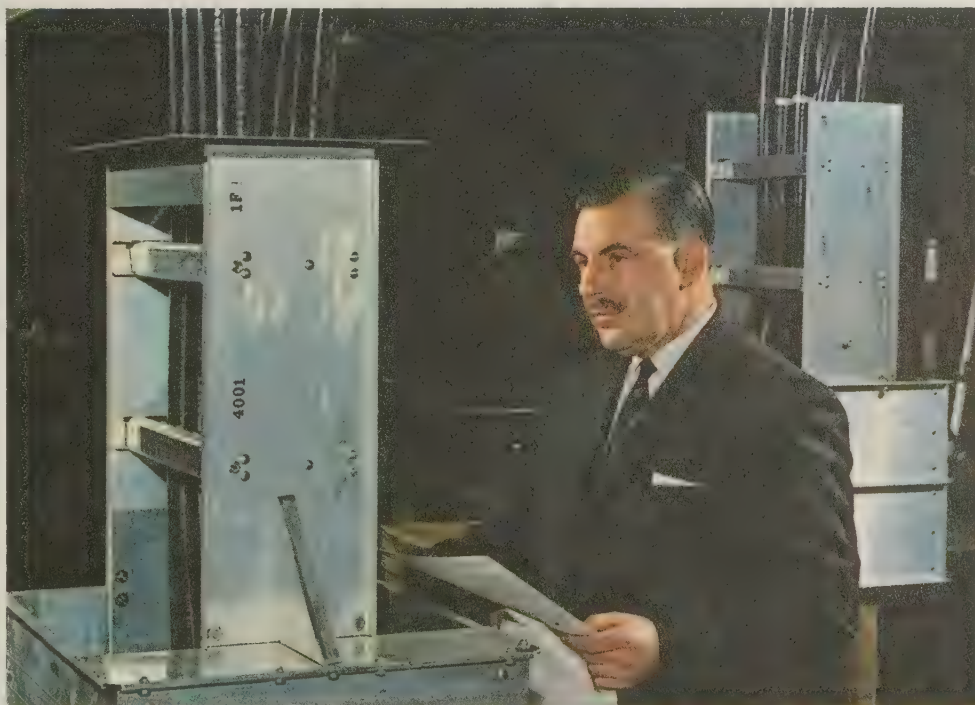
D "Luminator" car card lighting and "Heywood-Wakefield" seating fitted in one of Toronto Transit Commission's subway cars, built by Hawker Siddeley

E Discussing recent application of a "Timken" freight car roller bearing on newly developed 70-ton Canadian Pacific insulated heated boxcar

F A Railway & Power Aerospace & Defence Division representative inspects attitude-director indicator installed in Canadian Forces aircraft

G Inspecting a length of "Calvert" high-voltage bus, manufactured by Railway & Power in Toronto, before shipment to Lakeview Generating Station, Ontario Hydro

D



G



Head Office: 1121 Place Ville Marie, Montreal 2, Quebec

DIVISIONS

EASTERN STRUCTURAL DIVISION,

Main Office: 100 Disco Road, Rexdale, Ontario

Offices: Dartmouth, Lachine, Ottawa, Rexdale

Plants: Dartmouth, Ottawa, Rexdale

Structural Steel for
Buildings & Bridges
(fabrication & erection)
Steel Joists
Warehouse Steel
Towers
Hydraulic Gates
Bulk Loading Terminals

Conveyor Systems
Microwave Structures
Tanks and Plate Work
Shipping Containers
Galvanizing
Reinforcing Bars

PRAIRIE STRUCTURAL DIVISION,

Main Office: 223 53rd Avenue S.E., Calgary, Alberta

Offices & Plants: Winnipeg, Calgary, Edmonton

WESTERN BRIDGE DIVISION,

Main Office: 145 West First Avenue, Vancouver, B.C.

Office & Plant: Vancouver

ELECTRICAL DIVISION,

Main Office: 160 St. Joseph Blvd., Lachine, Quebec

Offices: Lachine, Toronto

Plant: Lachine

Alternators
Electric Motors
Electronic Scales

Generators D.C.
Variable Speed Drive
Systems

FOUNDRY DIVISION,

Main Office: 169 Eastern Ave., Toronto 2, Ontario

Offices: Lachine, Toronto

Plants: Hamilton (2), St. Thomas

Ingot Moulds
Industrial Wheels
Tunnel Liners
Gray Iron Castings

Alloy Iron Castings —
Ductile Iron, Domite CM,
Ni-Resist, Ductile Ni-Resist,
Ni-Hard, High Chrome Alloy

MECHANICAL DIVISION,

Main Office: 160 St. Joseph Blvd., Lachine, Quebec

Offices: Lachine, Toronto, Calgary, Edmonton, Vancouver

Plant: Trois-Rivières

Hydraulic Press Brakes
Hydraulic Presses & Shears
Mechanical Presses
Steel Mill Machinery
Pulp & Paper Mill Machinery

Rubber & Plastics Machinery
Custom Machinery
Speed Reducers & Increaseers
Gear Units
Valves

PIPE DIVISION,

Main Office: 10350 Ray Lawson Blvd., Ville d'Anjou, Quebec

Offices: Ville d'Anjou, Quebec City, Toronto,
Ottawa, St. Thomas, Vancouver

Plants: Ville d'Anjou, Trois-Rivières, Toronto,
Rexdale, Scarborough

Gray Iron Pipe
Ductile Iron Pipe
Concrete Pressure Pipe
Sewer & Culvert Pipe

Fittings
Municipal Castings
Hydrants
Sluice Gates

RAILWAY DIVISION,

Main Office: 160 St. Joseph Blvd., Lachine, Quebec

Plant & Office: Lachine

Fully Automatic Ballast
Tampers
Power Tamping Jacks
Track Liners
Switch Tampers

Spike Pullers & Drivers
Cross-tie Renewers
Rail Bolters, Drills
and Lubricators
Snow Blowers

SUBSIDIARIES

C. M. LOVSTED & CO. (CANADA) LIMITED,
 Main Office: 1726 West 5th Ave., Vancouver, B.C.
 Warehouse & Office: Vancouver

Trackwork & Related Supplies
 Road Marking & Signalling
 Equipment

Hydraulic & Pneumatic
 Products
 Materials Handling Equipment

NORTHERN RESINS LIMITED,
 Main Office: 830 St. Viateur St., Berthierville, Quebec
 Plant & Office: Berthierville

Plastic Pipe

Fittings

EXTRUDED PLASTIC PRODUCTS LTD.
 Main Office: 324 Carlingview Road, Rexdale, Ontario
 Plant & Office: Rexdale

PACIFIC PRESS & SHEAR CORP.,
 Main Office: 848 49th Ave., Oakland, California 94601, U.S.A.
 Offices: Mount Carmel, Illinois; Oakland, California
 Plant: Mount Carmel, Illinois

Hydraulic Press Brakes
 Hydraulic Shears

Hydraulic Presses

RAILWAY & POWER ENGINEERING CORPORATION, LTD.,
 Main Office: 3745 St. James St. W., Montreal 30, Quebec
 Offices: New Glasgow, Quebec City, Montreal, Trois-Rivières, Alma,
 Noranda, Ottawa, Toronto, Hamilton, Windsor,
 Sault Ste. Marie, Winnipeg, Edmonton, Calgary, Vancouver
 Warehouses: New Glasgow, Montreal, Toronto, Hamilton,
 Winnipeg, Edmonton, Vancouver

Instrumentation and
 Electronic Products
 Pumps
 Stainless Steels

Rail, Bus, Truck and
 Aviation Products
 Hydraulic & Pneumatic Products
 Materials Handling Equipment

TAMPER, INC.,
 Main Office: 2401 Edmund Road, West Columbia,
 South Carolina 29169, U.S.A.
 Plant & Office: Columbia, S.C.

Fully Automatic Ballast
 Tampers
 Power Tamping Jacks
 Switch Tampers
 Snow Blowers
 Track Liners

Spike Pullers & Drivers
 Cross-tie Renewers
 Rail Bolters, Drills
 and Lubricators

TAMPER (AUSTRALIA) PTY., LTD.,
 Main Office: P.O. Box 607D, Melbourne, Australia
 Office: Melbourne

THE COBALT FOUNDRY LIMITED,
 Main Office: New Liskeard, Ontario
 Office & Plant: Cobalt

Grinding Balls
 Grinding Billets
 Mill Liners
 Mine Cars
 Mine Cages

Mine Skips
 Gray Iron Castings
 Alloy Iron Castings —
 Ni-Hard
 Ductile Iron

THE WABI IRON WORKS LIMITED,
 Main Office: New Liskeard, Ontario
 Offices & Plants: New Liskeard, Sudbury



AR19

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ANNUAL MEETING

The fifty-third annual general meeting of Shareholders will be held in Le Salon Viger B, Le Château Champlain Hotel, Montreal, Que., on Wednesday, March 26, 1969, at 11 a.m.

Si vous préférez recevoir ce rapport annuel en français, prière d'en aviser le secrétaire de Canron Limitée.

HEAD OFFICE
1121 Place Ville Marie, Montreal 113, Que.

TRANSFER AGENTS
Montreal Trust Company
Montreal, Toronto, Halifax, Winnipeg, Vancouver

REGISTRAR
The Royal Trust Company
Montreal, Toronto, Halifax, Winnipeg, Vancouver

Directors

D. W. AMBRIDGE,
Honorary Chairman, Abitibi Paper Company, Limited, Toronto

R. J. BAILIE,
Executive Vice-President, Operations, Canron Limited, Montreal

W. J. BENNETT,
President, Iron Ore Company of Canada, Montreal

Hon. F. P. BRAIS, Q.C.,
Partner, Brais, Campbell, Pepper & Durand, Montreal

R. K. CARTY,
Executive Vice-President, Finance, Canron Limited, Montreal

J. S. DINNICK,
President, McLeod, Young, Weir & Co. Ltd., Toronto

C. L. GUNDY,
Chairman, Wood Gundy Securities Limited, Toronto

*J. G. KIRKPATRICK, Q.C.,
Partner, Ogilvy, Cope, Porteous, Hansard, Marler, Montgomery & Renault,
Montreal

*H. J. LANG,
Chairman and President, Canron Limited, Montreal

*M. W. MACKENZIE,
Vice-Chairman, Canron Limited, Montreal

*A. D. McCALL,
Chairman, Drummond, McCall & Co. Ltd., Montreal

*H. E. McKEEN,
Senior Vice-President, Canron Limited, Montreal

T. F. RAHILLY,
Honorary Chairman, Canron Limited, Toronto

F. H. SHERMAN,
President, Dominion Foundries and Steel Ltd., Hamilton

*Member of Executive Committee

Officers

H. J. LANG, Chairman and President	P. M. DRAPER, Vice-President and Secretary
M. W. MACKENZIE, Vice-Chairman	D. J. LaFONTAINE, Vice-President
H. E. McKEEN, Senior Vice-President	R. LYLE, Vice-President
R. K. CARTY, Executive Vice-President, Finance	W. D. MONCUR, Treasurer
R. J. BAILIE, Executive Vice-President, Operations	M. D. CALDER, Controller

Highlights

	1968	1967
Sales	\$141,042,429	\$142,010,853
Net Earnings	3,703,457	4,402,156
Shareholders' Equity	39,130,826	38,439,436
Bank Advances and Funded Debt	26,217,435	28,169,423
Working Capital	33,720,646	35,089,841
Capital Expenditures	2,790,022	2,109,000
Depreciation	3,323,423	4,107,728
Earnings Per Common Share	1.45	1.72
Cash Flow Per Common Share	2.90	3.46
Dividends Per Common Share	1.00	1.00
Book Value Per Common Share	14.89	14.47
Net Earnings as % of Sales	2.6	3.1
Net Earnings as % of Common Shareholders' Equity	9.7	11.8



Architect's sketch of Canron's new electric motor plant at Napanee, Ontario. The 64,000 sq. ft. plant is scheduled to be in operation by mid 1969.

Directors' Report to the Shareholders

You have seen that the company's new name "Canron Limited" which was adopted in April 1968 is being used for the first time in this the fifty-third annual report to the shareholders. Our new name is now in general use and has been well received by customers, employees and the public.

Consolidated sales of the company including wholly-owned subsidiaries totalling \$141 million were almost the same as in the previous year. Net income per share, however, amounted to \$1.45 down from the \$1.72 earned in 1967. The regular preferred share dividends plus four quarterly common share dividends of 25¢ each were paid in January, April, July and October. Earnings retained after covering dividend payments added 42¢ per common share to the shareholders' equity.

The year 1968, while presenting several factors accounting for a reduction in earnings per share, was nevertheless a period of good progress in many of the company's activities. A number of large commercial contracts, expected to materialize in 1968 were deferred. Public works contracts, especially at the municipal level, were cut back or cancelled due in large measure to the difficulty of financing. This meant that additional volume of business was not available to offset the higher labour and other costs which we experienced — and highly competitive business conditions prevented increased selling prices for most of our markets.

The conditions which prevailed in the principal product groups are covered in detail in other sections of this report but may be summarized as follows. Domestic sales of water pipe were lower than anticipated and even below the depressed levels of 1967. Export sales we obtained partially offset this decline but were insufficient to take up the available manufacturing capacity. A good demand for cast iron foundry products was maintained throughout the year. Shipments of elec-

trical and railway track maintenance equipment came close to expectations with further growth indicated for 1969. The volume of fabricated structural steel held at about the same level as last year but very low margins were responsible for a significant drop in the year's profit. Machinery sales were off 16% from original estimates in line with market conditions for our specific products.

Some of the adverse economic conditions we experienced in 1968 are likely to persist throughout 1969 and the backlog of orders at December 31st was lower than at the close of the previous year. However, the considerable improvement which has developed in recent weeks is now expected to continue, and 1969 should close out with a higher level of business than experienced last year. Acquisitions complementary to our present operations will continue to play a major role in the attainment of profitable growth.

Recent forecasts for capital expenditures in the many lines of business we serve are encouraging so we look for increased volume in the next two years with a return to more normal levels of profitability. The investment programme now being carried out is designed to provide for future growth as well as maintain our facilities in first class condition.


A net amount of \$2.7 million was spent in 1968 for capital additions including the purchase of the assets of two small companies less a recovery from the sale of surplus land. This expenditure was somewhat less than originally planned. Capital expenditures for normal improvements and the new electric motor plant being built in Napanee, Ontario, are in the 1969 budget at \$5.3 million.

During the year a number of changes were necessary at the senior management level. It is with regret that we report that Mr. J. H. Roberts, a Group Vice-President, died after 28 years of

valuable service to the company. Mr. M. A. Leishman, another Group Vice-President, was required to take a prolonged leave of absence early in the year after suffering a severe illness. Mr. I. L. Hamilton was appointed Group General Manager responsible for the three structural steel operating divisions. Mr. H. L. Warner was promoted to General Manager of the Western Bridge Division and Mr. W. S. Cullens took charge as General Manager of the Eastern Structural Division. A new division was created by grouping two of the plastic pipe subsidiary companies with Mr. I. C. Ferrier, formerly Corporate Controller, as General Manager. Mr. M. D. Calder was appointed Corporate Controller to fill the vacancy thus created.

The directors of your company wish to acknowledge with appreciation the high level of co-operation and efficiency of employees in the performance of their duties.

On behalf of the Board,



Montreal, Que.,
March 5, 1969

President

Review of the Year



Operating Review

PIPE

As inflationary pressures persisted throughout 1968, many municipal water and sewer projects in Canada were deferred or cut back. Market activity was substantially reduced in Quebec, a less pronounced slowdown was felt in Ontario, while sales in Newfoundland, the Atlantic Provinces and Western Canada were at a satisfactory level. Overall sales were up slightly, due to an improved level of activity in the second half of the year and the completion of several large export contracts.

Competition in the reduced market for water pipe intensified in all areas during the year. Canron iron pipe retained its share of the market, with ductile iron rapidly replacing grey iron. Without any major water transmission line contracts in the domestic market, the demand for large diameter Hyprescon concrete pressure pipe was lower than usual.

Unsatisfactory results and poor prospects for improvement led to a decision to discontinue operations at the concrete sewer pipe plant in Scarborough, Ontario. Agreement has been reached to dispose of the assets and the sale of the property at a satisfactory price has been negotiated.

Pipe sales in the Caribbean, and Central and South American markets have increased. Twenty-four miles of ductile iron pipe together with fittings, hydrants and valves were shipped to Port-au-Prince, Haiti. The water distribution system on New Providence Island begun in 1967, which includes 40 miles of ductile iron pipe, reservoirs, pumping stations and storage tanks, was operative by the end of 1968. The Canadian content of this \$6.8 million project was financed by the E.C.I.C. through a long term \$3.8 million loan to the Bahamian government. The backlog of orders at the end of 1968 was substantially lower than at the previous year-end, mainly due to the completion of the export orders already noted.

Although no major transmission pipeline projects are foreseen for 1969, the company's domestic sales of iron and concrete pipe are expected to increase moderately as a result of needed extensions and improvements to water services and increased activity in housing.

Early in 1968, Extruded Plastic Products Limited, Rexdale, Ontario, a manufacturer of PVC plastic pipe, was acquired to complement the operations of Northern Resins Limited. The two subsidiaries have been integrated into a Plastic Pipe Division to produce and market polyvinyl chloride (PVC), acrylonitrile-butadiene-styrene (ABS) and polyethylene pipe.

With the rapidly expanding market for plastic pipe and fittings, the company's manufacturing capacity for plastic pipe was increased 50% during the past year; a similar increase planned for 1969 indicates the promising future of these products.

FOUNDRY PRODUCTS

Sales of alloy and grey iron castings increased slightly over 1967. The general level of prices held firm with the exception of small increases for specialty products.

The high level of activity in Canada's primary steel industry created extra demand for ingot moulds and related products, and increased operations in the mining industry broadened the company's market for abrasion resistant castings.

The Canron patented "Domite CM" laminated plate continues to gain acceptance as a superior product for lining skips and chutes carrying abrasive materials.

A large contract valued at \$6.2 million was booked in the latter part of 1968 with delivery extending over three years, for 28,000 tons of tunnel liner segments to be used in a further extension of Toronto's Yonge Street Subway. An expenditure of \$500,000 for a building addition and automated equipment was made at the Stuart Street plant in Hamilton to accommodate this order and provide future

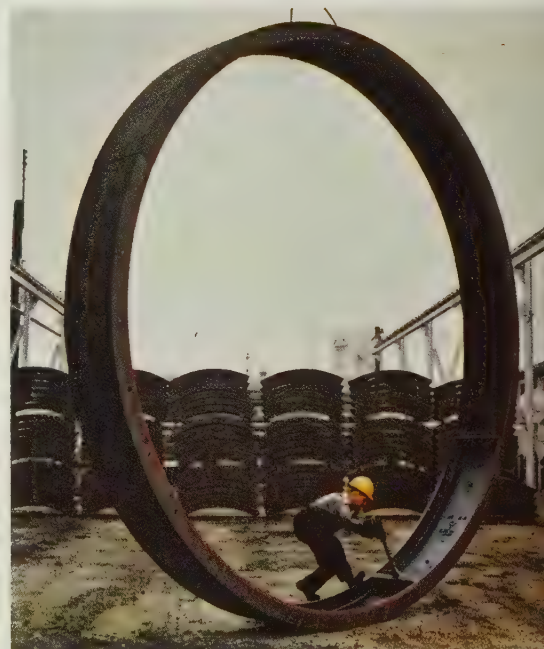
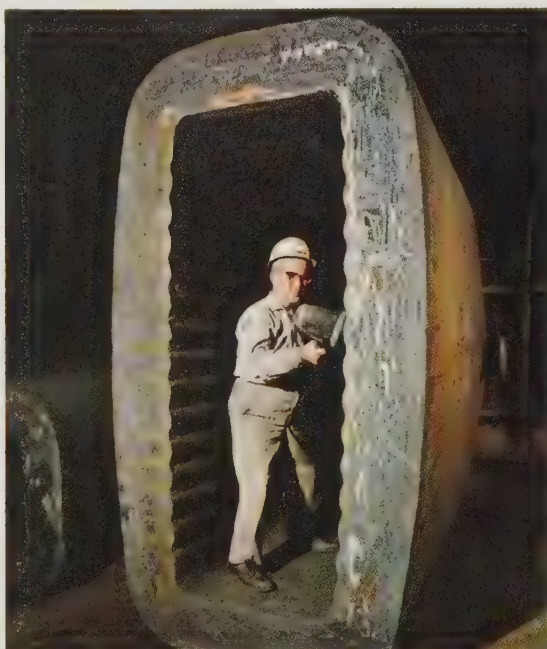
The huge water supply and distribution system at New Providence Island in the Bahamas, for which Canron is the prime contractor, is now in operation.

The illustrations at the left show:

TOP —
A trench and well field for a water gathering system;

BOTTOM LEFT —
Erection of a million gallon water storage tank (one of eight);

BOTTOM RIGHT —
20" ductile iron header piping and fittings in a main pumping station (one of seven).



capacity for other production castings. The total volume of alloy and grey castings consumed by Canadian industry has increased to record levels and this upward trend is expected to continue. The company anticipates further growth for its foundry products at satisfactory profit levels in 1969.

ELECTRICAL EQUIPMENT

General business activity in the electrical equipment industry continued at a high level although total shipments by the company were somewhat lower than in 1966 and 1967 when a large amount of electromotive equipment was being produced for the Montreal Metro System. Reduced demand for large motors and variable speed drive systems was partially offset by increased sales of small and medium sized motors.

A growing demand for the company's line of "Tamper" fractional horsepower motors for oil burners, pumps and home laundry equipment resulted in the decision to build a fully automated \$2 million plant in Napanee, Ontario. The new plant will specialize in the production of motors for home laundry appliances. With construction well under way, the plant will be in operation by mid 1969.

Significant additions have been made to the company's custom built lines of equipment. A new series of motors in the 1,000 to 2,000 HP range, designed to operate outdoors under extreme climatic conditions, were produced for pumps in large transcontinental oil lines. A highly specialized electrical drive system for an integrated steel mill was designed and put into operation late in the year.

Exports included additional orders for 4,000 generators valued at over \$2 million to be shipped in 1969.

The company's Mexican licensee, Power Electrica, has continued to grow rapidly and construction is underway to double plant capacity during 1969.

The new service and repair facilities at Toronto were successful in the first year of operation and continued growth can be expected in other areas.

Although the order backlog was down at the end of 1968, the level of quotations has improved and increased business activity is forecast for 1969.

MACHINERY AND MECHANICAL EQUIPMENT

Demand for certain classes of mechanical equipment was depressed in 1968. The current outlook for an early return to satisfactory sales volume is brighter as several large expansion projects were re-activated during the last quarter.

Among significant shipments was a 97 ft. diameter satellite tracking antenna produced at the Trois-Rivieres plant for installation at Mill Village, Nova Scotia; the first of a new, improved design ever to be constructed.

A large quantity of continuous diffuser pulp washers was supplied to a new mill in British Columbia. This is the biggest commercial installation in the world incorporating a revolutionary concept in pulp washing methods.

Sales to the energy industries remained at a good level. Partial delivery has been made on an order for 3,200 highly sophisticated expansion joints for use in a new Canadian nuclear power plant. Record quantities of ball and gate valves were supplied for oil and gas pipe lines.

Reduced import duties on machinery, devaluation of some foreign currencies and the equipping of some Canadian mills with machinery from the country supplying the investment capital have created difficulties for Canadian manufacturers. Efforts are being made to offset these effects by increasing exports where opportunities exist. There continues to be the problem of meeting foreign competitive prices while maintaining satisfactory margins.

Activity in the machine tool industry during 1968 in the United States was considerably down from forecasts and had an adverse effect on the sales of Pacific Press & Shear Corporation. However, the introduction of a new single cylinder vertical press, the Pressformer, proved highly successful and the addition of a complete line of

TOP LEFT —
"Tamper" 1,500 HP, 3,600 RPM weather-protected motor. One of a group now driving pipeline pumps in Northern Alberta, it is designed to operate unattended and outdoors under extreme climatic conditions.

TOP RIGHT —
One of three 12-ton capacity skips, with chute-type door, built by Wabi Iron for Agnew Lake Mines Limited. Upper section has a hinged floor so that unit can also be used for transporting personnel and equipment at mine shaft.

BOTTOM LEFT —
"Tamper" motors power this 200-ton Marietta Continuous Miner which cuts a swath 12 ft. high by 20 ft. wide while mining 15 tons of potash a minute. Two 600 HP motors drive the twin cutting heads and a 300 HP unit powers the hydraulic circuit.

BOTTOM CENTER —
This 28-ton ingot mould, believed to be the largest manufactured in Canada, will be used by a leading primary steel producer for the production of steel ingots measuring 30" x 78" x 92".

BOTTOM RIGHT —
Cast iron tunnel liner segments bolted together to illustrate the formation of 16 ft. diameter tunnel liners for a subway extension in Toronto.



cut-off tooling is expected to broaden its market acceptance in 1969. A notable achievement was the production of one of the largest shears in the world at the Mount Carmel, Illinois, plant. This machine, with the capacity to shear $\frac{3}{4}$ " steel plate 30' long in one stroke, required four railroad flat cars for transportation to the customer.

In the past year, Pacific also introduced a new method of temperature compensation on its press level control system. A number of patents have been granted in the United States and further patents are pending.

The introduction of a new line of straightside presses and other new and improved products in 1969 is expected to increase Pacific's sales and support a strong challenge for industry leadership.

RAILWAY TRACK MAINTENANCE EQUIPMENT

Sales of "Tamper" railway track maintenance equipment have benefited from a high level of new railway construction and the requirement of greater rail surface accuracy for modern high speed trains. Market activities have expanded through a new department which will contract for complete right-of-way maintenance.

The substantial advance in volume over the previous year resulted from large orders for Junior Electromatics and a new Switch Tamper developed in late 1967.

Good progress has been made in the export market. The "Tamper" line of equipment was introduced in the Far East and the Electromatics have been demonstrated in Czechoslovakia and Russia. Sales and manufacturing agreements are presently being negotiated to cover the East Bloc countries.

Australian operations have been extended despite vigorous competition from European suppliers. Tamper (Australia) Pty. Limited has also established a railway contracting department. A contract from Western Australian Railways for the maintenance of about 700 miles of rail line was recently received.

Another new tamping machine, the "Bilectromatic Tamper", was introduced. It is designed to resurface and condition railway track at production speeds up to 3,000 ft. an hour.

Order backlog at the end of 1968 was at a good level and is comparable to that of the previous year.

The future outlook for sales in the Latin American market is very encouraging with increased activity anticipated in the latter part of 1969.

The significant progress being made in product development is expected to further improve the company's market position in 1969.

STRUCTURAL STEEL PRODUCTS

New business available in the structural steel fabricating industry was down from the previous year but the 1967 year-end backlog enabled the company to maintain the same level of total sales in 1968. Average profit level in the industry was badly depressed due to poor margins in some regional markets.

Sales in Eastern Canada were affected by the lack of work during the first half of the year. The rise in volume projected for mid-year occurred late in the last quarter. West Coast operations were assisted by a good quality backlog at the beginning of the year.

Operations at the Winnipeg plant were discontinued in December. Market requirements will be served from other fabricating plants in the area with adequate capacity.

Steel structures continue to gain favour in the construction market because new techniques for prefabrication offset higher labour costs at construction sites.

There is an increasing trend towards the complete project or "turn-key" approach by consortia of general contractors, architects, engineers and fabricators, as against invitations to quote on each separate aspect of large projects. The company is presently part of a consortium involved in a modular

TOP LEFT —
Introduced in 1968, the "Pacific" Hydraulic Pressformer combines the best features of a universal ironworker with those of a press brake and gap press.

TOP RIGHT —
The new "Bilectromatic" Tamper. Provides the same high quality tamping as the "Electromatic" tampers but operates at more than double the production speeds.

CENTER RIGHT —
Switch Tamper with new track jacking device which lifts track switch while tamping.

BOTTOM LEFT —
One of the completely new line of straightside presses developed by Pacific Press. This is a new type which features a number of innovations in its field.

BOTTOM CENTER —
97 ft. diameter satellite tracking antenna, manufactured and erected by Canron for new communication satellite earth station at Mill Village, Nova Scotia.

BOTTOM RIGHT —
400-ton a day bleached kraft mill at Crestbrook Forest Industries Limited, Skookumchuk, B.C. First complete mill installation in North America with "Kamyr" tower diffusion washing.

school system for the Toronto Metropolitan School Commission.

Development work is continuing satisfactorily on the "CANPARK" portable garage. These five-storey prefabricated steel garages can be not only constructed economically but, when necessary, quickly dismantled for location elsewhere.

The computerization of engineering and other areas of operation to meet the more complex needs of the construction industry is receiving close attention.

Year-end backlog was down slightly but it is expected that the volume of bookings and sales will increase in 1969 with an improvement in profit margins.

AGENCY SALES

Market conditions in 1968 were less favourable for Railway & Power Engineering Corporation than originally anticipated, as the sales volume remained substantially the same as in the previous year. A lower level of activity in the pulp and paper and chemical industries was reflected by decreased sales of Railway & Power's products and the order backlog at December 31st was slightly below the figure for the last two years.

No significant increase is expected during 1969 in the total sales volume. Improvements are anticipated in Calvert electrical ducting and hydraulic and pneumatic products. Some of the sales volume lost to Railway & Power's Aerospace and Defence Division by the termination of a sales agreement for aeronautical instrumentation will be recovered by increased sales of other aircraft products.





TOP LEFT —
Pre-assembled on land, a 2,000-ton tower span, 200 ft. high and 250 ft. long, is towed 4½ miles to the site of the new CN Second Narrows railway lift bridge at Vancouver; a unique and time-saving procedure, planned and executed by Cancon. Normally, tower portions of spans are erected separately by derricks at the site.

BOTTOM LEFT —
The last steel girders are raised by mobile cranes for completion of the 2,500 ft. span over the Richelieu River from Sorel to Tracy, Quebec.

TOP RIGHT —
Transport of 129'6" long x 14' deep steel roof truss fabricated for plant extension at Douglas Aircraft of Canada Limited, Malton, Ontario.

BOTTOM RIGHT —
One of Canadian National Railway's five seven-car Turbo trains equipped with Timken tapered journal roller bearings. Railway and Power is the Canadian representative for this product of The Timken Roller Bearing Company for Canada's railroads.

Personnel

Seven of the eight collective agreements that expired during the year were renewed for two-year periods in an amicable and cooperative manner. At the Rexdale Pipe plant, however, settlement was reached only after a six-month strike. This was the first major strike in the company's collective bargaining history. As in 1967, wages were the primary issue with annual increase ranging from 7% to 10%. The closing of the Scarborough and Winnipeg plants made it necessary to release 80 employees. The company's policy of providing severance pay related to length of service in such circumstances was followed.

The retirement plan was amended in 1968 to permit employees to withdraw contributions made to the plan prior to January 1, 1965 in Ontario and January 1, 1966 in other provinces. Despite the knowledge that lower pension benefits under the plan would result, approximately 60% of the eligible employees elected to have their contributions returned.

Efforts to improve safety programmes further reduced accident experience. The achievement of the Columbia, South Carolina, plant of Tamper Inc. in completing the year with no lost-time accidents was the outstanding example. Most collective agreements now acknowledge the joint responsibilities of the company and employees in accident prevention.

Salaried employee benefits were again reviewed during the year. Increased medical coverage, additional vacation allowances and a new basis for the sharing of benefit costs resulted. These changes, which are consistent with the company's policy of extending equitable treatment to all employees, became effective on January 1, 1969.

Management development and training within the company and through courses underwritten by the company in universities, trade associations and technical schools were further expanded in 1969.

Financial Review

Company assets were \$88,581,882 at December 31. A reduction in accounts receivable of \$787,641 during the year, reflecting slightly lower sales and a continuing pressure on collections, was the major change. Bank loans at \$3,406,055 were \$1,304,488 lower while funded debt was reduced by \$647,500. Working capital at \$33,720,646 is down from \$35,089,841, the reason for the reduction being that term bank loans of \$2,080,940 due June 30, 1969 are now current. Working capital position continues to be very satisfactory.

The balance sheet shows a reduction in "Investment in Other Companies" from \$76,700 to \$27,700. This occurred because Kamy Incorporated, a company in which we have a 12% interest, redeemed preferred shares. Our percentage ownership in this company has not changed.

Capital expenditures in 1968 totalling \$2,790,022 did not include any major projects. The fixed assets received with the purchase of Industrial Galvanizing Limited and Extruded Plastic Products Limited are included in this figure. As manufacturing capacity was ample to meet the requirements of current markets, the expenditures were made for productivity increases and cost reduction.

Depreciation booked in 1968 totalled \$3,323,423, a reduction from the 1967 amount of \$4,107,728, but exceeded capital expenditures in both years. During the year a survey was made of the life cycles of our equipment and the practices of industry regarding the rate of write-off of equipment of a similar nature to ours. It was decided that depreciation had been charged to costs over too short a period of time. We therefore changed our method to more equitably reflect the equipment life cycle, and this lowered the 1968 depreciation charge by \$450,000. It is our intention to follow this new schedule of rates in the future but continue to use for tax purposes the maximum allowable rates of de-

preciation and reflect the difference in the deferred income tax account.

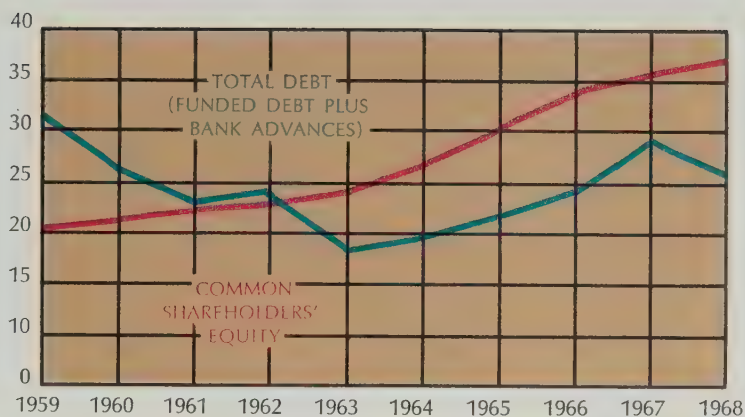
Costs in connection with the closing of two small manufacturing plants in the latter part of the year were charged to 1968 operations. The equipment in the Scarborough pipe plant will be transferred, the building removed and the land has been sold in early 1969 at a price well in excess of original cost. The profit on this sale will be an addition to 1969 earnings. The Winnipeg plant has not been disposed of to date, and there is no expectation of a significant profit on its disposal.

Total borrowings of the company at December 31, 1968 at \$26,217,435 were reduced by \$1,951,988 during the year. Interest charges for the year at \$1,851,822 decreased \$209,262 from 1967. The effective over-all interest cost was 6.85% in 1968. As short term borrowings are reduced, the comparatively lower fixed interest rates of long term debt will tend to lower the average cost of borrowed money.

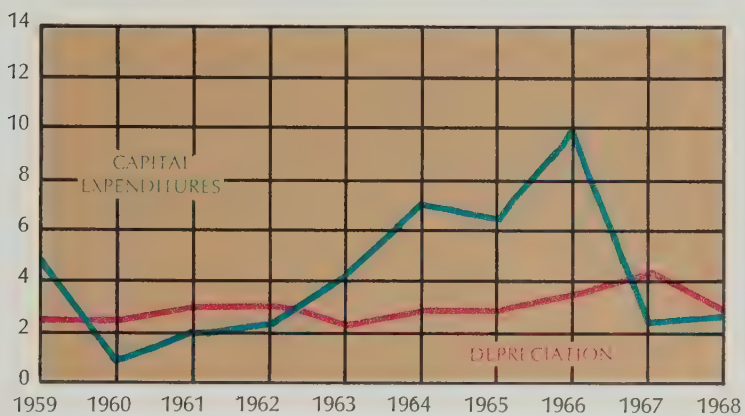
During 1968, 3,530 preferred shares were purchased on the open market and retired. The company has a cumulative excess of 10,200 preferred shares over the covenant requirement for retirement. Purchases at an average of \$86.25 added \$48,540 to earnings.

As the retained earnings account increased by \$1,044,390 during the year the book value of the common shares increased by 42¢ to \$14.89. The after-tax return on the common shareholders' equity was 9.7% in 1968.

COMMON SHAREHOLDERS' EQUITY AND TOTAL DEBT
(in millions of dollars)



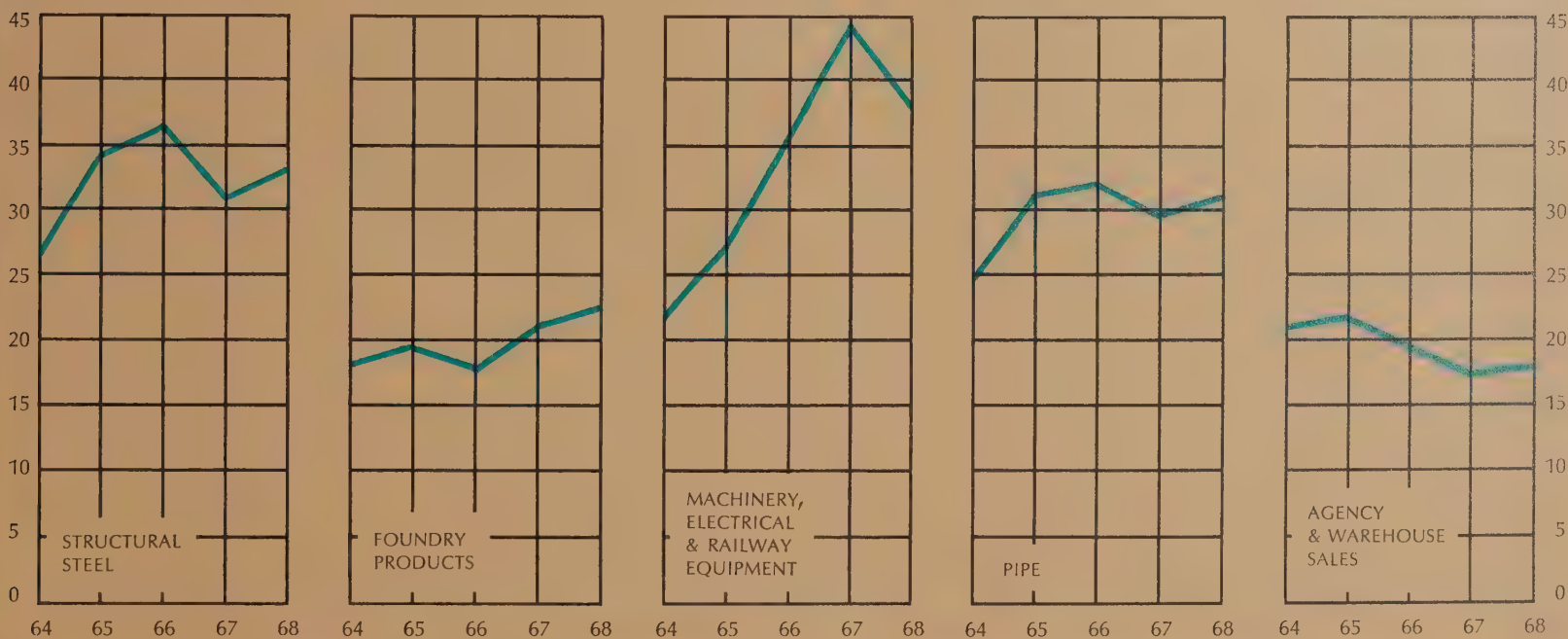
CAPITAL EXPENDITURES AND DEPRECIATION
(in millions of dollars)



SALES AND NET EARNINGS



SALES BY PRODUCT CLASSIFICATION (in millions of dollars)



Consolidated Balance Sheet

As at December 31, 1968

ASSETS

	1968	1967
CURRENT ASSETS		
Cash	\$ 961,313	\$ 1,035,482
Government guaranteed bonds — at cost (quoted value 1968 — \$211,000; 1967 — \$209,000)	224,683	224,683
Accounts receivable	27,537,917	28,325,558
Special refundable tax	186,633	325,427
Inventories (note 2)	27,572,922	27,905,026
Prepaid expenses	507,294	546,480
Total current assets	<u>56,990,762</u>	<u>58,362,656</u>
INVESTMENT IN OTHER COMPANIES		
Shares — at cost	<u>27,700</u>	<u>76,700</u>
FIXED ASSETS (note 3)		
Property, plant and equipment — at cost	68,151,164	66,745,999
Accumulated depreciation	<u>39,635,446</u>	<u>37,696,880</u>
	<u>28,515,718</u>	<u>29,049,119</u>
PATENTS — at cost less amortization	<u>2,587,082</u>	<u>2,837,456</u>
UNAMORTIZED DEBENTURE DISCOUNT	<u>460,620</u>	<u>497,700</u>
 Signed on behalf of the Board		
H. J. Lang, Director		
M. W. Mackenzie, Director		
	<u>\$88,581,882</u>	<u>\$90,823,631</u>

LIABILITIES

	1968	1967
CURRENT LIABILITIES		
Bank advances	\$ 3,406,055	\$ 4,710,543
Accounts payable and accrued liabilities	14,846,851	15,391,461
Dividends	644,838	648,224
Income taxes	1,641,932	1,875,087
Funded debt maturing within one year	<u>2,730,440</u>	<u>647,500</u>
Total current liabilities	<u>23,270,116</u>	<u>23,272,815</u>
DEFERRED INCOME TAXES (note 4)	<u>6,100,000</u>	<u>6,300,000</u>
FUNDED DEBT — not maturing within one year (see schedule)	<u>20,080,940</u>	<u>22,811,380</u>

SHAREHOLDERS' EQUITY

PREFERRED SHARES (note 5)		
Authorized —		
100,000 preferred shares of \$100 par value		
Issued and fully paid —		
20,510 4¼% cumulative convertible redeemable preferred shares		
1956 series	2,051,000	2,404,000
COMMON SHARES		
Authorized —		
6,000,000 common shares of no par value		
Issued and fully paid —		
2,489,622 common shares	8,538,740	8,538,740
RETAINED EARNINGS	<u>28,541,086</u>	<u>27,496,696</u>
	<u>39,130,826</u>	<u>38,439,436</u>
	<u><u>\$88,581,882</u></u>	<u><u>\$90,823,631</u></u>

See accompanying notes on page 21

Consolidated statement of earnings

For the year ended December 31, 1968

	1968	1967
SALES	<u>\$141,042,429</u>	<u>\$142,010,853</u>
COSTS AND EXPENSES		
Cost of sales, selling and administrative expenses	128,907,695	127,911,671
Directors' fees and remuneration of officers who are directors	314,167	209,539
Interest on funded debt	1,505,693	1,115,468
Amortization of debenture discount	37,080	30,752
Amortization of patents	250,374	189,169
Depreciation of property, plant and equipment (note 3)	3,323,423	4,107,728
	<u>134,338,432</u>	<u>133,564,327</u>
	<u>6,703,997</u>	<u>8,446,526</u>
OTHER INCOME		
Income from investments	27,023	26,548
Profit on disposal of fixed assets and investments	113,897	126,489
Profit on redemption of preferred shares	48,540	32,593
	<u>189,460</u>	<u>185,630</u>
	<u>6,893,457</u>	<u>8,632,156</u>
INCOME TAXES (note 4)	3,190,000	4,230,000
NET EARNINGS FOR THE YEAR (note 3)	<u>\$ 3,703,457</u>	<u>\$ 4,402,156</u>

Consolidated statement of retained earnings

For the year ended December 31, 1968

	1968	1967
BALANCE — BEGINNING OF YEAR	\$ 27,496,696	\$ 25,796,271
Net earnings for the year	3,703,457	4,402,156
	<u>31,200,153</u>	<u>30,198,427</u>
Excess of cost of shares over net assets of subsidiaries acquired during the year	74,941	104,374
Dividends —		
On 4¼% preferred shares	94,504	107,735
On common shares	2,489,622	2,489,622
	<u>2,659,067</u>	<u>2,701,731</u>
BALANCE — END OF YEAR	<u>\$ 28,541,086</u>	<u>\$ 27,496,696</u>

Consolidated statement of source and application of funds

For the year ended December 31, 1968

	1968	1967
FUNDS WERE PROVIDED FROM:		
Net earnings for the year	\$ 3,703,457	\$ 4,402,156
Charges not requiring the outlay of funds —		
Depreciation and amortization	3,610,877	4,327,649
Deferred income taxes	(200,000)	800,000
	<u>7,114,334</u>	<u>9,529,805</u>
Net proceeds from issue of funded debt		18,824,380
Reduction of investment in other companies	49,000	736,003
Special refundable tax now shown as current		219,360
	<u>7,163,334</u>	<u>29,309,548</u>
FUNDS WERE APPLIED TO:		
Purchase of fixed assets — net	2,790,022	3,162,546
Purchase of patents		3,026,625
Funded debt maturing within one year	2,730,440	647,500
Par value of preferred shares redeemed	353,000	225,000
Excess of cost of shares over net assets of subsidiaries	74,941	104,374
Decrease in minority interest:		179,664
Dividends on preferred and common shares	2,584,126	2,597,357
	<u>8,532,529</u>	<u>9,943,066</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>(1,369,195)</u>	<u>19,366,482</u>
WORKING CAPITAL — BEGINNING OF YEAR	35,089,841	15,723,359
Increase (decrease) in working capital	<u>(1,369,195)</u>	<u>19,366,482</u>
WORKING CAPITAL — END OF YEAR	<u>\$33,720,646</u>	<u>\$35,089,841</u>

Schedule of funded debt

As at December 31, 1968

	1968	1967
5¾% sinking fund debentures, series "B" due April 15, 1969	\$ 1,652,000	\$ 1,652,000
Sinking fund requirements —		
\$272,500 on April 15, 1966 to 1968		
Redeemed to date	<u>1,377,500</u>	<u>1,105,000</u>
	<u>274,500</u>	<u>547,000</u>
6¼% sinking fund debentures, series "C" due October 15, 1977	7,500,000	7,500,000
Sinking fund requirements —		
\$375,000 on October 15, 1958 to 1976		
Redeemed to date	<u>4,125,000</u>	<u>3,750,000</u>
	<u>3,375,000</u>	<u>3,750,000</u>
6¾% sinking fund debentures, series D due May 15, 1987	<u>15,000,000</u>	<u>15,000,000</u>
Sinking fund requirements —		
\$600,000 on May 15, 1970 to 1979		
\$800,000 on May 15, 1980 to 1986		
Term bank loans due in equal annual instalments		
on June 30, 1969 and 1970	<u>4,161,880</u>	<u>4,161,880</u>
	<u>22,811,380</u>	<u>23,458,880</u>
FUNDED DEBT		
Maturing within one year	2,730,440	647,500
Not maturing within one year	<u>20,080,940</u>	<u>22,811,380</u>
	<u>\$22,811,380</u>	<u>\$23,458,880</u>

February 7, 1969

AUDITORS' REPORT TO THE SHAREHOLDERS. We have examined the consolidated balance sheet of Canron Limited and subsidiary companies as at December 31, 1968 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the con-

solidated financial position of the companies as at December 31, 1968 and the consolidated results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change with which we concur in the rate of depreciation of certain fixed assets as referred to in note 3.

McDONALD, CURRIE & CO.
Chartered Accountants

Notes to consolidated financial statements

For the year ended December 31, 1968

1. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the company and all subsidiaries.

2. INVENTORIES

The inventories are valued at the lower of cost or net realizable value and comprise:

	1968	1967
Finished products	\$10,612,405	\$10,782,100
Work in process	9,089,851	14,123,462
Raw materials and supplies	11,446,690	10,600,202
	31,148,946	35,505,764
Less: Progress billings	3,576,024	7,600,738
	\$27,572,922	\$27,905,026

3. PROPERTY, PLANT AND EQUIPMENT

	December 31, 1968			1967
	Cost	Accumulated depreciation	Net	Net
Land	\$ 2,855,801		\$ 2,855,801	\$ 2,887,568
Buildings	23,749,259	\$11,182,279	12,566,980	12,837,088
Machinery and equipment	41,546,104	28,453,167	13,092,937	13,324,463
	\$68,151,164	\$39,635,446	\$28,515,718	\$29,049,119

Based on studies of the estimated useful life of the fixed assets, the company reduced its rates of depreciation on machinery and equipment. As a result the depreciation for 1968 is lower by \$450,000 than it would otherwise have been. The effect of this change is that the net earnings for 1968 are higher by \$215,000 than if no change had been made.

4. DEFERRED INCOME TAXES

The company follows the practice of claiming capital cost allowances for tax purposes which differ from depreciation recorded in the accounts as well as using the progress payment method of calculating income tax for contract sales. The income tax

adjustments resulting from these practices are charged or credited to "Deferred Income Taxes".

5. PREFERRED SHARES

During the year, preferred shares of a par value of \$353,000 were redeemed. The retained earnings include an amount of \$2,224,500 which has been set aside as required by the Canada Corporations Act, equal to the par value of the preferred shares redeemed to date.

The conversion privilege of the 4¹/₄% cumulative convertible redeemable preferred shares 1956 series has terminated.

Statistical review

	1968	1967	1966	1965
Sales	\$141,042,429	\$142,010,853	\$142,014,849	\$133,867,306
Income Taxes	\$ 3,190,000	\$ 4,230,000	\$ 5,175,000	\$ 5,830,000
Net Earnings	\$ 3,703,457	\$ 4,402,156	\$ 5,428,213	\$ 5,183,196
Preferred Share Dividends	\$ 94,504	\$ 107,735	\$ 120,700	\$ 144,373
Common Share Dividends	\$ 2,489,622	\$ 2,489,622	\$ 2,453,622	\$ 1,728,732
Net Earnings as % of Sales	2.6	3.1	3.8	3.9
Net Earnings as % of Common Shareholders' Equity	9.7	11.8	15.4	16.4
Earnings per Common Share	\$ 1.45	\$ 1.72	\$ 2.13	\$ 2.06
Dividends per Common Share	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.58
Cash Flow per Common Share	\$ 2.90	\$ 3.46	\$ 3.59	\$ 3.41
Book Value per Common Share	\$14.89	\$14.47	\$13.79	\$12.58
Working Capital	\$ 33,720,646	\$ 35,089,841	\$ 15,723,359	\$ 18,237,575
Bank Advances	\$ 3,406,055	\$ 4,710,543	\$ 19,679,218	\$ 16,819,173
Funded Debt	\$ 22,811,380	\$ 23,458,880	\$ 4,945,000	\$ 5,592,000
Capital Expenditures	\$ 2,790,022	\$ 2,109,000	\$ 9,668,000	\$ 6,096,000
Depreciation	\$ 3,323,423	\$ 4,107,728	\$ 3,637,071	\$ 3,292,073
Common Shares Issued	2,489,622	2,489,622	2,489,622	2,441,622
Common Shareholders	5,072	5,318	5,329	4,430
Employees	5,181	5,224	5,607	5,261

1964	1963	1962	1961	1960	1959
\$112,402,000	\$100,279,000	\$110,009,000	\$100,801,000	\$101,346,000	\$105,712,000
\$ 3,720,000	\$ 1,700,000	\$ 1,690,000	\$ 1,235,000	\$ 1,724,587	\$ 1,790,140
\$ 3,536,276	\$ 1,896,605	\$ 1,641,526	\$ 2,152,187	\$ 1,736,264	\$ 463,635
\$ 162,010	\$ 181,709	\$ 181,709	\$ 181,709	\$ 181,709	\$ 187,108
\$ 1,114,327	\$ 809,874	\$ 809,874	\$ 809,874	\$ 911,108	\$ 1,209,089
3.2	1.9	1.5	2.1	1.7	.4
12.6	6.6	6.2	8.6	7.2	1.3
\$ 1.38	\$ 0.70	\$0.60	\$0.81	\$0.64	\$0.11
\$ 0.42	\$ 0.33	\$0.33	\$0.33	\$0.37	\$0.50
\$ 2.56	\$ 1.65	\$1.67	\$1.89	\$1.57	\$1.07
\$10.95	\$10.04	\$9.67	\$9.40	\$8.92	\$8.66
\$ 15,016,839	\$ 18,814,150	\$ 19,164,278	\$ 17,561,688	\$ 17,583,989	\$ 16,996,670
\$ 11,037,604	\$ 8,677,882	\$ 14,171,756	\$ 12,448,649	\$ 14,017,666	\$ 17,926,195
\$ 7,937,000	\$ 8,782,000	\$ 9,627,000	\$ 10,472,000	\$ 12,266,500	\$ 13,177,000
\$ 6,876,000	\$ 4,002,553	\$ 2,338,648	\$ 1,991,072	\$ 1,417,626	\$ 4,690,931
\$ 2,874,391	\$ 2,289,612	\$ 2,585,837	\$ 2,613,399	\$ 2,266,468	\$ 2,319,885
2,435,622	2,429,622	2,429,622	2,429,622	2,429,622	2,429,622
4,404	5,062	5,231	5,327	4,850	4,712
4,240	4,210	4,725	4,670	5,172	5,421

Corporate and Operations Management

Canron Limited is comprised of decentralized operating units, each headed by a general manager who is responsible for its contribution to the overall success of the company. Corporate management directs and coordinates the work of the operating units towards corporate profit and growth objectives.



J. K. STEWART, General Manager, Railway Division, and R. J. BAILIE, Executive Vice-President, Operations.



C. M. THOMSON, Vice-President and General Manager, Railway & Power Engineering Corporation, Ltd., F. A. COLLIER, Director, Personnel and Industrial Relations, and R. K. CARTY, Executive Vice-President, Finance.



R. LYLE, General Manager, Pipe Division, D. J. LaFONTAINE, General Manager, Mechanical Division and H. J. LANG, Chairman and President.



J. L. READE, Director of Marketing and E. W. PEARSON, President, Pacific Press and Shear Corp.



P. M. DRAPER, Vice-President and Secretary, and F. E. MILLER, General Manager, Foundry Division.



I. L. HAMILTON, Group General Manager, Structural Operations, and W. S. CULLENS, General Manager, Eastern Structural Division.



I. C. FERRIER, General Manager, Plastic Pipe Division, M. D. CALDER, Controller, and W. D. MONCUR, Treasurer.



H. L. WARNER, General Manager, Western Bridge Division, and G. H. PILBROW, General Manager, Prairie Structural Division.



K. C. HAGUE, General Manager, Electrical Division, and J. M. GANDY, Executive Assistant, Operations.

Divisions and Subsidiaries

ELECTRICAL DIVISION, Lachine, Que.

K. C. HAGUE, *General Manager*
Plants at Lachine, Que.; Napanee, Ont.

FOUNDRY DIVISION, Toronto, Ont.

THE WABI IRON WORKS LIMITED, New Liskeard, Ont.

F. E. MILLER, *General Manager*
Plants at Hamilton (2), Toronto, St. Thomas,
New Liskeard, Cobalt, Ont.

MECHANICAL DIVISION, Lachine, Que.

D. J. La FONTAINE, *General Manager*
Plant at Trois-Rivières, Que.

PACIFIC PRESS & SHEAR CORP., Oakland, Calif.

E. W. PEARSON, *President*
Plant at Mount Carmel, Ill.

PIPE DIVISION, Ville d'Anjou, Que.

R. LYLE, *General Manager*
Plants at Ville d'Anjou, Trois-Rivières, Que.;
Rexdale, Toronto, Ont.

PLASTIC PIPE DIVISION, Rexdale, Ont.

EXTRUDED PLASTIC PRODUCTS LIMITED, Rexdale, Ont.
NORTHERN RESINS LIMITED, Berthierville, Que.

I. C. FERRIER, *General Manager*
Plants at Rexdale, Ont.; Berthierville, Que.

RAILWAY DIVISION, West Columbia, S.C.

TAMPER INC., West Columbia, S.C.
TAMPER (AUSTRALIA) PTY. LTD., Melbourne, Aust.

J. K. STEWART, *General Manager*
Plants at West Columbia, S.C.; Lachine, Que.

RAILWAY & POWER ENGINEERING CORP., LTD., Montreal, Que.

C. M. LOVSTED & CO. (CANADA) LIMITED, Vancouver, B.C.

C. M. THOMSON, *Vice-President and General Manager*
Warehouses: New Glasgow, N.S.; Montreal, Que.; Toronto,
Hamilton, Ont.; Winnipeg, Man.; Edmonton, Alta.; Vancouver, B.C.

STRUCTURAL OPERATIONS, Rexdale, Ont.

I. L. HAMILTON, *Group General Manager*

EASTERN STRUCTURAL DIVISION, Rexdale, Ont.

W. S. CULLENS, *General Manager*

PRAIRIE STRUCTURAL DIVISION, Calgary, Alta.

G. H. PILBROW, *General Manager*

WESTERN BRIDGE DIVISION, Vancouver, B.C.

H. L. WARNER, *General Manager*

Plants at Dartmouth, N.S.; Ottawa, Rexdale, Ont.;
Calgary, Edmonton, Alta.; Vancouver, B.C.

Canron Products

ELECTRICAL EQUIPMENT

Alternators
Electric Motors
Electronic Scales
Generators D.C.
Variable Speed Drive Systems

FOUNDRY PRODUCTS

Ingot Moulds
Industrial Wheels
Tunnel Liners
Grey Iron Castings
Grinding Balls
Grinding Billets
Mill Liners
Mine Cages
Mine Cars
Mine Skips
Alloy Iron Castings
 Ductile Iron, Domite CM,
 Ni-Resist, Ductile Ni-Resist,
 Ni-Hard, High Chrome Alloy

**MACHINERY &
MECHANICAL EQUIPMENT**

Hydraulic Press Brakes
Hydraulic Presses & Shears
Mechanical Presses
Steel Mill Machinery
Pulp & Paper Mill Machinery
Rubber & Plastics Machinery
Custom Machinery
Speed Reducers & Increasers
Gear Units
Valves

PIPE PRODUCTS

Grey and Ductile Iron Pipe
Concrete Pressure Pipe
Sewer & Culvert Pipe
Plastic Pipe
Fittings
Municipal Castings
Hydrants
Sluice Gates

**RAILWAY TRACK
MAINTENANCE EQUIPMENT**

Fully Automatic Ballast Tampers
Power Tamping Jacks
Track Liners
Switch Tampers
Spike Pullers & Drivers
Cross-tie Renewers
Rail Bolters, Drills and Lubricators
Snow Blowers

STRUCTURAL PRODUCTS

Structural Steel for Buildings & Bridges
 (fabrication & erection)
Steel Joists
Warehouse Steel
Towers
Hydraulic Gates
Bulk Loading Terminals
Conveyor Systems
Microwave Structures
Tanks and Plate Work
Shipping Containers
Galvanizing
Reinforcing Bars

SALES AGENCY PRODUCTS

Instrumentation and
 Electronic Products
Pumps
Stainless Steels
Trackwork and Related Supplies
Rail, Bus, Truck and Aviation Products
Hydraulic & Pneumatic Products
Materials Handling Equipment
Road Marking and
 Signalling Equipment

Divisions
Subsidiaries
Products
(inside flap)

